TENNESSEE

Comprehensive
Annual
Financial
Report

June 30,
1991

State Capitol as Photographed From the Legislative Plaza After a Rain
Photographed by Murray Lee
State of Tennessee, Media Production Services

Tennessee Comprehensive Annual Financial Report For the Year Ended June 30, 1991

NED McWHERTER, Governor

DEPARTMENT OF AUDIT
WILLIAM R. SNODGRASS, Comptroller of the Treasury
Division of State Audit
ARTHUR A. HAYES, JR.
Director

DEPARTMENT OF FINANCE AND ADMINISTRATION
DAVID L. MANNING, Commissioner
Division of Accounts
DANNY L. CREEKMORE, Chief of Accounts

Tennessee Department of Finance and Administration, Authorization No. 317104, December, 1990, 1,000 copies. This public document was promulgated at a cost of $6.00 per copy.

STATE OF TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1991

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INTRODUCTORY SECTION

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37219-5175

DAVID L. MANNING
COMMISSIONER

December 20, 1991

The Honorable Ned McWherter
Governor of the State of Tennessee

The Comprehensive Annual Financial Report of the State of Tennessee for the fiscal year ended June 30, 1991, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the state. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the state. All disclosures necessary to enable the reader to gain an understanding of the state's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter and the state's organizational chart. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds and account groups of the state. The state provides a full range of services, which includes education, health and social services, transportation, law, justice, public safety, recreation and resources development, public improvements and general administrative services. In addition, to general government activities, the governing body exercises, or has the ability to exercise, oversight of the following agencies: Tennessee Housing Development Agency, Tennessee Local Development Authority, Tennessee State School Bond Authority, Tennessee Comprehensive Health Insurance, Tennessee Student Assistance Corporation, Tennessee Consolidated Retirement System, Tennessee Board of Regents, University of Tennessee, First Tennessee Community Health Agency, East Tennessee Community Health Agency, Upper Cumberland Community Health Agency, Southeast Regional Community Health Agency, Mid-Cumberland Community Health Agency, South Central Community Health Agency, Northwest Community Health Agency, Southwest Community Health Agency, Davidson County Community Health Agency, Knox County Community Health Agency, Shelby County Community Health Agency, Hamilton County Community Health Agency, and Veterans' Nursing Home.

ECONOMIC CONDITION AND OUTLOOK

The state's economic diversity has improved substantially over the last eight years. Investments announced in new and expanding businesses exceeded one billion dollars in each of those years. The $3.2 billion in announced capital investments in 1989 was the single largest year and exceeded the $2.78 billion in 1985 when Saturn Corporation chose Tennessee for its plant site. This growth has created 19,400 new jobs in this year alone, and has had a positive effect on employment and the state's economy. For June 1991, the state unemployment rate was equal to the national average of 6.9%. The financial impact of these events is presented later in this letter.

Based on current projections, the state's overall growth is expected to exceed the national average into the next century. While having a positive impact, this growth also presents significant challenges for the state. If the present level of services is to be maintained and an ambitious program for major improvements in the educational system is to be implemented, the state, in the future, will need new methods of obtaining financial resources.

Presently, Tennessee's economy has moved into a recessionary period. This is part of a national recession which has effected the majority of states. Historically, Tennessee has been one of the first states to rebound from a recession and is expected to do so again. Tennessee's state government has continued to take appropriate steps to ensure that the state is able to successfully manage the downturn in tax revenues.

MAJOR INITIATIVES

For the Year. The state continued several major initiatives needed to meet citizen's needs for services, conform with federal mandates and applicable state standards, and encourage economic growth. Programs for improving education, restructuring child care services, construction of highways and bridges, and management of other issues have made possible the effective management of the State's economic condition and positive outlook. Some of these programs are described below.

The Administration has named education reform as its primary focus for the next three years. The result has been the development of the "21st Century Schools" proposal that will reach all facets of the education process. The plan has three areas of focus. The first is the establishment of a learning environment in the classroom that can produce the desired results. Second is the restructuring of the governing system to provide flexibility and accountability. And, finally, the plan calls for an adequate funding plan to support these goals with equitable distribution among communities.

During the year, the state continued the restructuring of services for children in state care. "The Children's Plan" is designed to better match the services offered to the needs of the children and their families. It involves more complete assessment of needs, expansion of community and home-based services, and the financial restructuring of programs. When fully implemented, the Plan will result in the better use of funding dollars and increased results from services rendered to children, thereby resulting in long-term cost benefits.

Tennessee's transportation program has expanded significantly over the past four years. Over $4 billion has been invested in opening up new areas of the State and easing traffic bottlenecks in urban areas. An aggressive ten-year program for bridge maintenance and replacement is also continuing.

The State continues to make progress in other areas: implementing the hazardous waste reduction legislation, continuing the economic grant program to local communities, and the management and expansion of Tennessee's correctional system. Since 1988, five major facilities have been completed and put into operation using bonded debt and general government revenues.

For the Future. The issue identified as most crucial to Tennessee's economic growth is education improvement. The Administration's package along with the tax reform proposal for funding will be considered in a special session of the legislature in 1992.

FINANCIAL INFORMATION

In developing and modifying the state's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. I believe that the state's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgeting Controls. In addition to internal controls, the state maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the legislature. Activities of the general fund and special revenue funds (except the Community Health Agencies, special revenue funds) are included in the annually appropriated budget. Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of available balances are not released until budget revisions are approved or additional appropriations are made. Open encumbrances are reported as reservations of fund balance at June 30, 1991.

General Governmental Functions. General governmental functions are accounted for in four governmental funds - the General, Special Revenue, Debt Service and Capital Projects funds. Revenues for general governmental functions totaled $7.1 billion in 1991. Taxes represented 56.3% of general revenues, a decrease in the percentage of funding of 1.4% over the prior year. The amount of revenues from various sources and the changes from last year are shown below (expressed in thousands).

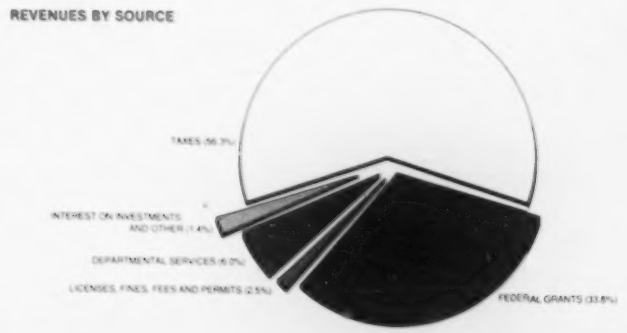
Revenue Source	Amount	Percent of Total	Increase from 1990	Percent of Increase
Taxes	$4,001,321	56.3%	$129,637	3.3%
Licenses, fines, fees and permits	175,714	2.5	45,170	34.6
Interest on investments	51,049	.7	(23,019)	(31.1)
Federal	2,404,595	33.8	249,699	11.6
Departmental Services	422,488	6.0	18,279	4.5
Other	53,209	.7	5,816	12.3
	$7,108,376	100%	$425,582	

The 3.3% increase in taxes reflected above is due mostly to the state changing its determination of availability for tax revenues from 30 to 60 days. In addition, the state changed the due date for the insurance company premium tax from September 2 to August 29.

The most significant increase in actual revenue resulted from federal participation in health and social services, primarily Medicaid, which incurred substantial increases in expenditures during the year.

The increase in licenses, fines, fees and permits resulted primarily from a new Nursing Home License fee of some $25.5 million. The decrease in interest on investments resulted from the fact that interest rates declined and the available cash balance decreased. Other revenue increased by $5.8 million primarily due to the fact that monies collected for indigent care increased.

Presented below is a chart depicting the sources of governmental fund type revenues:



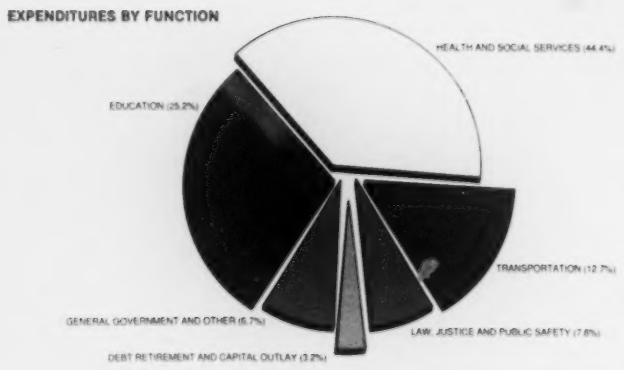
Expenditures for general governmental purposes totaled $6.7 billion in 1991, also a record, and an 8.4% increase over the previous year. Changes in expenditures by function from 1990 levels are presented in the following tabulation (expressed in thousands).

Function	Amount	Percent of Total	Increase (Decrease) from 1990	Percent of Increase (Decrease)
General government	$ 243,011	3.6%	$ 2,978	1.2%
Education	1,688,375	25.2	61,472	3.8
Health and social services	2,983,210	44.4	396,648	15.4
Law, justice and public safety	524,752	7.8	34,245	7.0
Recreation and resources development	181,000	2.7	(2,975)	(1.6)
Regulation of business and professions	29,386	.4	3,719	14.5
Transportation	852,939	12.7	28,361	3.4
Debt service	93,841	1.4	(5,744)	(5.8)
Capital outlay	121,094	1.8	1,390	1.2
	$6,717,608	100%	$520,094	

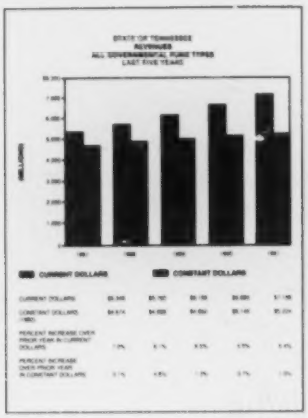
The significant increase in health and social services resulted primarily from the increase of $286 million in Medicaid. In addition, Aid to Families with Dependent Children, a Human Services program, increased by some $31 million.

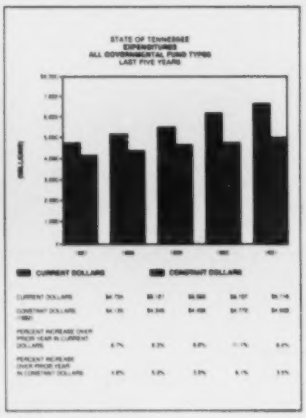
The significant increase in regulation of business and professions resulted from a new program in Commerce and Insurance for the Real Estate Commission totaling some $2.3 million. This new program purchases insurance coverage for realtors to cover them for errors and ommissions in selling property. The state assumes no risk in this area.

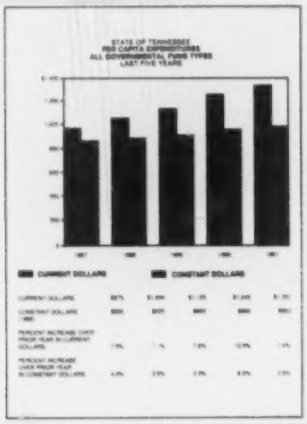
Presented below is a chart depicting the uses of governmental fund type expenditures by function:


EXPENDITURES BY FUNCTION
HEALTH AND SOCIAL SERVICES (44.4%)
EDUCATION (25.2%)
TRANSPORTATION (12.7%)
GENERAL GOVERNMENT AND OTHER (6.7%)
LAW, JUSTICE AND PUBLIC SAFETY (7.8%)
DEBT RETIREMENT AND CAPITAL OUTLAY (3.2%)

Presented below are tables depicting revenues and expenditures for the last five years on a current dollar and constant dollar basis. In addition, a chart showing per capita expenditures on a current and constant dollar basis is presented.







General Fund Balance. The fund balance of the general fund decreased by 70 percent in 1991. The primary reason for this $195 million decrease was that sales and excise tax collections were below estimates by some $146 million.

Proprietary Funds. Combined operating results for the State's enterprise funds remained strong in 1991. Operating revenues were $225 million, an increase of $20 million over 1990. Operating expenses increased to $216 million from $199 million the previous year. The Tennessee Housing Development Agency (THDA), created to provide housing loans to lower and moderate income citizens, again paced the enterprise activity ($155 million and $140 million in operating revenues and expenses, respectively). Outstanding enterprise fund bonds at June 30, 1991 totaled $1.8 billion, consisting of $54.3 million in State Loan Program general obligation bonds and $1.7 billion in THDA and Local Development Authority revenue bonds.

Combined operating results for the State's internal service funds also remained strong in 1991. Operating revenues and expenses for these cost-reimbursement agencies aggregated $293 million and $289 million, respectively, as compared to 1990 amounts of $262 million and $225 million. The principal internal service operations provide data processing services, third party liability claims processing, agency housing in the urban counties of the state, and employee group insurance.

Pension Plan. Total assets of the State's pension trust fund reached $8.8 billion at June 30, 1991. The latest actuarial evaluation of the plan, prepared as of June 30, 1991, indicated the plan was 103.4% funded.

College and University Funds. College and University current funds revenues increased 9% to $1.034 billion in 1991. State appropriations to these funds rose slightly to $691 million. The primary highlights in current funds revenues were the increase in income from tuition and fees ($247 million in 1991 vs. $222 million in 1990); and increased auxiliary enterprise and hospital revenues ($392 million in 1991 vs. $359 million in 1990) reflecting higher patient occupancies at both university-operated hospitals. Current funds expenditures likewise increased in 1991, up 4.6% to $1.32 billion. Student loans outstanding at June 30, 1991, primarily from federal government sources, totaled $43.1 million, up slightly from last year. Total assets of the endowment and similar funds group rose 7.5% in 1991 to $130 million. College and university revenue bonded debt decreased to $265 million at June 30, 1991. Enrollment increased to 117 thousand students; university students increased by two thousand to 87.4 thousand and community college students increased by three thousand to 29.7 thousand.

Debt Administration. At June 30, 1991, the State had a number of debt issues outstanding. These issues included $578 million of general obligation bonds, and $54.3 million of enterprise fund debt with state commitment. Tennessee continues to receive excellent bond ratings from both Moody's Investors Service (Aaa) and Standard and Poor's Corporation (AA+) on general obligation bond issues, reflecting our long-standing record of sound financial management. Under current state statutes, the state's general obligation bonded debt issuances are subject to an annual legal debt service limitation based on a pledged portion of certain current year revenues. As of June 30, 1991, the state's annual legal debt service limit of $311 million was well above the debt service required of $101 million, with a legal debt service margin of $210 million. Debt per capita equaled $115, and the ratio of net general long-term bonded debt to assessed property valuation was 1.3 percent.

Cash Management. In recent years the State Treasurer has pursued an aggressive cash management and investment program. One aspect of this, which we believe is unique to Tennessee, is our direct access into the Federal Reserve wire system. Through the State Trust of Tennessee, wire services in the federal system are available via a terminal located in the State's investment offices. This provides the State flexibility in investing and concentrating cash balances and pension fund assets, and in redeeming warrants and checks issued against the Treasury. During fiscal year 1991, uncommitted State funds were invested in short-term collateralized deposits as follows (averaged): certificates of deposit (23%); repurchase agreements (15%); commercial paper (14%); U.S. Treasuries (47%); and money market accounts (1%). The composite average yield on these investments was 7.91%, down from 8.69% last year.

Risk Management. In 1989, the state initiated a loss prevention program. A loss prevention specialist has been employed to assist the state in analyzing the underlaying cause of losses and in recommending measures to minimize the reoccurrence of similar losses. All state property is insured under an all risk policy for full value, with no upper limit on aggregate claims for losses. The insurance policy has an annual $5 million aggregate deductible which is covered by a $5 million state designation for casualty losses.

OTHER INFORMATION

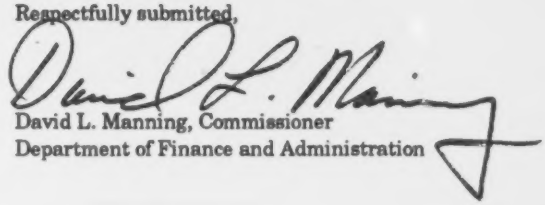
Independent Audit. State statutes require an annual audit of all fund types and account groups of the State. The accompanying financial statements have been examined by the Office of the Comptroller of the Treasury, Division of State Audit. Their examination was conducted in accordance with generally accepted government auditing standards, and their unqualified opinion appears elsewhere herein.

In conjunction with this examination, the Division of State Audit conducted an organization-wide audit as described in the Single Audit Act of 1984 and Office of Management and Budget Circular A-128, Audits of State and Local Governments. The audit included tests of compliance with applicable federal laws and regulations as well as a study and evaluation of internal controls, including internal accounting and administrative controls used in administering federal financial assistance programs. The results of this single audit are published under separate cover by the Division of State Audit.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA), awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Tennessee for its Comprehensive Annual Financial Report for the year ended June 30, 1990. This is the twelfth consecutive year that the state has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the comprehensive annual financial report was made possible by the dedication of the entire staff of the Division of Accounts in the Department of Finance and Administration. This report could not have been prepared without the cooperation of all state agencies and branches.

Respectfully submitted,



David L. Manning, Commissioner
Department of Finance and Administration

DLM/CMP/PC/jm

STATE OF TENNESSEE

William R. Snodgrass
Comptroller

COMPTROLLER OF THE TREASURY

STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0260
PHONE (615) 741-2501

December 20, 1991

To the Members of the General Assembly
of the State of Tennessee
and
The Honorable Ned McWherter, Governor
State of Tennessee

Ladies and Gentlemen:

In accordance with Section 4-3-304, Tennessee Code Annotated, transmitted herewith is the auditor's report on the Comprehensive Annual Financial Report of the State of Tennessee for the fiscal year ended June 30, 1991.

Respectfully,

W. R. Snodgrass
Comptroller of the Treasury

WRS/jm

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Tennessee

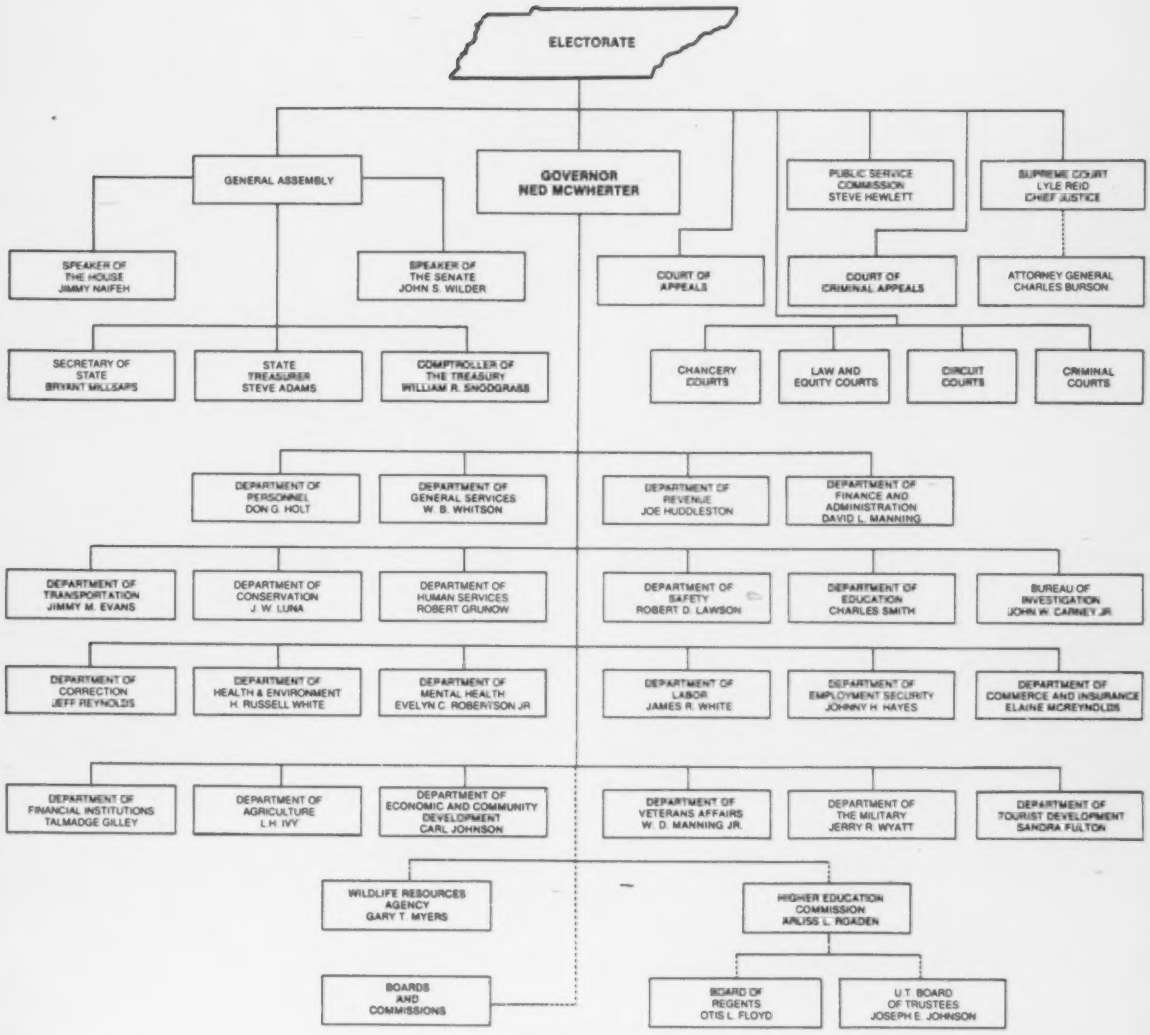
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1990

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.

Gary R. Hoistrom
President

Jeffrey L. Esser
Executive Director

STATE OF TENNESSEE
ORGANIZATION CHART
1991



FINANCIAL SECTION

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF STATE AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0264
PHONE (615) 741-3697

Independent Auditor's Report

December 20, 1991

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the accompanying general purpose financial statements of the State of Tennessee and the combining, individual fund, and account group financial statements of the State as of and for the year ended June 30, 1991, as listed in the table of contents. These financial statements are the responsibility of the State of Tennessee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Tennessee at June 30, 1991, and the results of its operations and the cash flows of its proprietary and similar trust fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the State of Tennessee at June 30, 1991, and the results of operations of such funds and the cash flows of individual proprietary and similar trust funds for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note 1E to the financial statements, the State of Tennessee changed its policy that defines cash equivalents. As disccused in Note 2C to the financial statements, the State of Tennessee changed its method of accounting for licenses in 1991.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements, taken as a whole, and on the combining, individual fund, and account group financial statements. The accompanying financial information, listed as supplementary schedules in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of the State of Tennessee. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

The statistical and economic data, listed in the foregoing table of contents, were not audited by us, and accordingly, we do not express an opinion thereon.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/jm

GENERAL PURPOSE FINANCIAL STATEMENTS

STATE OF TENNESSEE
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			
ASSETS AND OTHER DEBITS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
CASH AND CASH EQUIVALENTS		$ 391,565	$ 453	$ 20,796
CASH ON DEPOSIT WITH FISCAL AGENT			100	
INVESTMENTS			100	
RECEIVABLES (Note 2)	$ 692,923	93,148	1,990	1,851
ADVANCES TO OTHER FUNDS	2,590			
INTERFUND RECEIVABLES (Note 2)	3,987	1,377		71,805
INVENTORIES, at cost		8,110		
PREPAYMENTS	28			
LAND, at cost				
STRUCTURES AND IMPROVEMENTS, at cost				
MACHINERY AND EQUIPMENT, at cost				
LESS - ACCUMULATED DEPRECIATION				
CONSTRUCTION IN PROGRESS				
DEFERRED CHARGES AND OTHER				
AMOUNT AVAILABLE IN DEBT SERVICE FUND				
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS				
TOTAL ASSETS AND OTHER DEBITS	$ 699,528	$ 494,200	$ 2,643	$ 94,452
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
WARRANTS PAYABLE	$ 91,710	$ 23,344	$ 42	$ 3,099
ACCOUNTS PAYABLE AND ACCRUALS	377,059	76,348	550	19,398
INTERFUND PAYABLES (Note 2)	72,787	1,369		3,743
ADVANCE FROM OTHER FUNDS		2,400		
NOTES PAYABLE (Note 3)				7,979
BONDS PAYABLE (Note 3)				
CALL PREMIUMS PAYABLE				
LEASE OBLIGATIONS PAYABLE				
DEFERRED REVENUE	73,910	3,504		212
OTHER	350	741		
TOTAL LIABILITIES	615,816	107,706	592	34,431
FUND EQUITY (Note 2):				
CONTRIBUTED CAPITAL				
INVESTMENTS IN FIXED ASSETS				
RETAINED EARNINGS:				
RESERVED FOR BOND RETIREMENT				
RESERVED FOR LOCAL DEVELOPMENT LOANS				
RESERVED FOR HOUSING DEVELOPMENT LOANS				
UNRESERVED				
FUND BALANCES (Note 2):				
RESERVED FOR:				
RELATED ASSETS	5,072	8,110		
ENCUMBRANCES AND CONTRACTS	7,542	237,579		85,057
CONTINUING APPROPRIATIONS	56,569			
OTHER SPECIFIC PURPOSES	2,119	136,709		
UNRESERVED:				
DESIGNATED FOR REVENUE FLUCTUATIONS	7,200			
DESIGNATED FOR HIGHWAY CONSTRUCTION		4,096		
DESIGNATED FOR DEBT SERVICE			2,051	
DESIGNATED FOR TRUST PURPOSES				
DESIGNATED FOR COLLEGES AND UNIVERSITIES				
DESIGNATED FOR OTHER SPECIFIC PURPOSES	5,132			
UNDESIGNATED	78			(25,036)
TOTAL FUND EQUITY AND OTHER CREDITS	83,712	386,494	2,051	60,021
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	$ 699,528	$ 494,200	$ 2,643	$ 94,452

See accompanying Notes to the Financial Statements

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS (Notes 1, 2)	GENERAL LONG-TERM OBLIGATIONS (Note 3)	COLLEGE AND UNIVERSITY	JUNE 30, 1991	JUNE 30, 1990
$ 161,958	$ 121,893	$ 1,540,205			$ 87,127	$ 2,323,997	$ 2,341,702
	2,254	642,378			32,443	677,175	713,569
494,880	68,655	8,294,518			266,195	9,124,348	8,363,211
1,464,374	162	450,351			172,291	2,877,090	2,533,797
						2,590	2,760
945	35	14,286			158,648	251,083	178,386
30	645				19,488	28,273	26,715
	1,492				3,031	4,551	4,022
195	24,344		$ 85,376		65,676	175,591	156,311
3,732	209,897		733,620		1,469,418	2,416,667	2,313,985
902	111,736	47	259,350		712,159	1,084,194	1,002,227
(239)	(126,011)	(16)				(126,266)	(94,520)
			61,149		70,333	131,482	64,724
2,835	1,001				2,244	6,080	5,927
				$ 2,051		2,051	2,193
				730,127		730,127	644,575
$ 2,129,612	$ 416,103	$ 10,941,769	$ 1,139,495	$ 732,178	$ 3,059,053	$ 19,709,033	$ 18,259,584
$ 4,462	$ 8,642	$ 34,226				$ 165,525	$ 158,340
97,631	93,944	261,416		$ 154,301	$ 160,862	1,241,509	1,153,610
3,438	97	163,006			6,643	251,083	178,386
190						2,590	2,760
51,593	7,721				58,518	125,811	92,096
1,770,187	68,935			577,877	265,034	2,682,033	2,481,516
733	1,979					2,712	2,712
	60				1,694	1,754	2,465
7,786	9,075	2,935			35,274	132,696	128,685
		791,690			30,563	823,344	569,927
1,936,020	190,453	1,253,273		732,178	558,588	5,429,057	4,770,497
41,592	190,666					232,258	155,738
			$ 1,139,495		1,987,963	3,127,458	2,963,082
17,058						17,058	14,858
4,427						4,427	4,128
56,924						56,924	55,390
73,591	34,984					108,575	117,646
					74,390	87,572	79,890
					9,314	339,492	390,713
						56,569	83,635
		9,683,347			295,225	10,117,400	9,332,030
						7,200	100,000
						4,096	11,985
						2,051	2,193
		5,149			8,451	13,600	10,193
					125,122	125,122	94,672
						5,132	72,853
						(24,958)	81
193,592	225,650	9,688,496	1,139,495		2,500,465	14,279,976	13,489,087
$ 2,129,612	$ 416,103	$ 10,941,769	$ 1,139,495	$ 732,178	$ 3,059,053	$ 19,709,033	$ 18,259,584

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	JUNE 30, 1991	JUNE 30, 1990
REVENUES:							
TAXES	$ 3,321,866	$ 548,797	$ 130,658		$ 212,663	$ 4,213,984	$ 4,090,238
LICENSES, FINES, FEES AND PERMITS	135,575	40,139				175,714	130,544
INTEREST ON INVESTMENTS	46,486	4,563			108,560	159,609	179,884
FEDERAL	2,130,706	271,993	92	$ 1,804	16,823	2,421,418	2,169,089
DEPARTMENTAL SERVICES	389,650	22,898		9,940		422,488	404,209
OTHER	49,204	4,005			1,339	54,548	48,500
TOTAL REVENUES	6,073,487	892,395	130,750	11,744	339,385	7,447,761	7,022,464
EXPENDITURES:							
CURRENT:							
GENERAL GOVERNMENT	217,065	25,946			50,711	293,722	288,480
EDUCATION	1,686,601	1,774				1,688,375	1,626,903
HEALTH AND SOCIAL SERVICES	2,962,805	20,405			330,936	3,314,146	2,826,758
LAW, JUSTICE AND PUBLIC SAFETY	524,407	345				524,752	490,507
RECREATION AND RESOURCES DEVELOPMENT	151,189	29,811				181,000	183,975
REGULATION OF BUSINESS AND PROFESSIONS	29,348	38				29,386	25,667
TRANSPORTATION		852,939				852,939	824,578
DEBT SERVICE			93,841			93,841	99,585
CAPITAL OUTLAY				121,094		121,094	119,704
TOTAL EXPENDITURES	5,571,415	931,258	93,841	121,094	381,647	7,099,255	6,486,157
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	502,072	(38,863)	36,909	(109,350)	(42,262)	348,506	536,307
OTHER FINANCING SOURCES(USES):							
BOND PROCEEDS				100,000		100,000	46,000
PREMIUMS ON BOND SALES			107			107	
OPERATING TRANSFERS IN	55,621	12,079	9,342	29,215		106,257	84,568
OPERATING TRANSFERS OUT	(740,805)		(46,500)	(73,234)	(100)	(860,639)	(829,749)
TOTAL OTHER FINANCING SOURCES(USES)	(685,184)	12,079	(37,051)	55,981	(100)	(654,275)	(699,181)
EXCESS OF REVENUES AND OTHER SOURCES (UNDER) EXPENDITURES AND OTHER USES BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(183,112)	(26,784)	(142)	(53,369)	(42,362)	(305,769)	(162,874)
CUMULATIVE EFFECT ON PRIOR YEARS (JUNE 30, 1990) OF CHANGING TO A DIFFERENT BASIS OF ACCOUNTING FOR LICENSES		1,590				1,590	
EXCESS OF REVENUES AND OTHER SOURCES (UNDER) EXPENDITURES AND OTHER USES AFTER CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(183,112)	(25,194)	(142)	(53,369)	(42,362)	(304,179)	(162,874)
FUND BALANCES, JULY 1(Note 2)	279,048	411,688	2,193	113,390	736,308	1,542,627	1,692,374
EQUITY TRANSFERS IN							16,411
EQUITY TRANSFERS OUT	(12,224)					(12,224)	(3,284)
FUND BALANCES, JUNE 30 (Note 2)	$ 83,712	$ 386,494	$ 2,051	$ 60,021	$ 693,946	$ 1,226,224	$ 1,542,627

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	PENSION TRUST	JUNE 30, 1991	JUNE 30, 1990
OPERATING REVENUES:						
CHARGES FOR SERVICES	$ 124,194	$ 127,386			$ 251,580	$ 221,203
CONTRIBUTIONS				$ 385,948	385,948	452,705
INVESTMENT INCOME	46,027	11,620	$ 11,885	672,495	742,027	785,750
DISCOUNT AMORTIZATION				80,489	80,489	73,108
PREMIUMS	54,492	153,513			208,005	186,067
OTHER		116	5,982		6,098	6,130
TOTAL OPERATING REVENUES	224,713	292,635	17,867	1,138,932	1,674,147	1,724,963
OPERATING EXPENSES:						
PERSONAL SERVICES	2,979	13,428			16,407	15,809
CONTRACTUAL SERVICES	5,813	36,037			41,850	30,560
MATERIALS AND SUPPLIES	201	13,430			13,631	12,893
RENTALS AND INSURANCE	616	37,445			38,061	35,751
INTEREST	142,119	4,400			146,519	135,318
DEPRECIATION AND AMORTIZATION	410	19,027	4		19,441	17,377
BENEFITS	61,996	160,371		309,661	532,028	448,966
REFUNDS				19,384	19,384	20,561
OTHER	2,230	4,428	10,604		17,262	15,526
TOTAL OPERATING EXPENSES	216,364	288,566	10,608	329,045	844,583	732,761
OPERATING INCOME	8,349	4,069	7,259	809,887	829,564	992,202
NONOPERATING REVENUES(EXPENSES)	5,592	1,164	(15,138)		(8,382)	(5,908)
INCOME(LOSS) BEFORE OPERATING TRANSFERS	13,941	5,233	(7,879)	809,887	821,182	986,294
OPERATING TRANSFERS IN (OUT)	3,082	(26,838)	14,712		(9,044)	8,745
INCOME(LOSS) BEFORE EXTRAORDINARY CHARGE	17,023	(21,605)	6,833	809,887	812,138	995,039
EXTRAORDINARY CHARGE (Note 3)	(458)				(458)	(768)
NET INCOME(LOSS)/CHANGE IN RETAINED EARNINGS	16,565	(21,605)	6,833	809,887	811,680	994,271
OTHER CHANGES IN FUND EQUITY:						
CONTRIBUTED(DISPOSAL OF) FIXED ASSETS	(102)	53,097	1,277		54,272	105,682
CONTRIBUTED CAPITAL	11,303				11,303	5,862
EQUITY TRANSFERS IN (OUT)	12,224				12,224	(13,127)
NET CHANGE IN FUND EQUITY	39,990	31,492	8,110	809,887	889,479	1,092,688
FUND EQUITY, JULY 1 (Note 2)	153,602	194,158	155,904	8,020,649	8,524,313	7,431,625
FUND EQUITY, JUNE 30	$ 193,592	$ 225,650	$ 164,014	$ 8,830,536	$ 9,413,792	$ 8,524,313

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	PENSION TRUST	JUNE 30, 1991	JUNE 30, 1990
CASH FLOWS FROM OPERATING ACTIVITIES:						
OPERATING INCOME	$ 8,350	$ 4,069	$ 7,259	$ 809,887	$ 829,565	$ 992,202
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:						
DEPRECIATION AND AMORTIZATION	42	19,027	(78)	(80,489)	(61,498)	(30,053)
INVESTMENT INCOME	(45,032)		(9,929)	(286,198)	(341,159)	(423,638)
INTEREST INCOME	(237)	(11,620)		(386,297)	(398,154)	(355,648)
INTEREST EXPENSE	142,066	4,400			146,466	130,918
LOSS ON DISPOSAL OF FIXED ASSETS	1	(1)				(100)
CHANGE IN ASSETS AND LIABILITIES:						
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(113,068)	1,391	(7,102)	(205)	(118,984)	(148,746)
(INCREASE)DECREASE IN INTERFUND RECEIVABLES	1,408	(14)	(158)	1,633	2,869	(3,281)
(INCREASE)DECREASE IN INVENTORIES	(30)	139			109	221
(INCREASE)DECREASE IN PREPAID EXPENSES		(251)			(251)	(491)
(INCREASE)DECREASE IN DEFERRED CHARGES	(148)				(148)	(111)
INCREASE(DECREASE) IN WARRANTS PAYABLE	53	2,390	950	913	4,306	(120)
INCREASE(DECREASE) IN ACCOUNTS PAYABLE	(1,642)	23,506	679	(562)	21,981	(13,985)
INCREASE(DECREASE) IN INTERFUND PAYABLE	2,848	(3)	159		3,004	1,179
INCREASE(DECREASE) IN DEFERRED REVENUE	1,386	1,008	20		2,414	2,522
TOTAL ADJUSTMENTS	(12,353)	39,972	(15,459)	(751,205)	(739,045)	(841,333)
NET CASH FROM OPERATING ACTIVITIES	(4,003)	44,041	(8,200)	58,682	90,520	150,869
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
OPERATING GRANTS RECEIVED	24,181		1,285		25,466	9,727
OPERATING GRANTS PAID	(28,960)		(16,423)		(45,383)	(26,224)
ADVANCES FROM OTHER FUNDS						200
PROCEEDS FROM SALE OF BONDS	275,062				275,062	224,864
OPERATING TRANSFERS IN	3,106	79	14,712		17,897	26,257
OPERATING TRANSFERS OUT	(25)	(26,917)			(26,942)	(17,512)
EQUITY TRANSFERS IN	12,224				12,224	7,244
EQUITY TRANSFERS OUT						(20,371)
TAX REVENUES RECEIVED	6,820				6,820	7,705
ASSESSMENTS RECEIVED	3,000				3,000	2,867
PRINCIPAL PAYMENTS	(124,022)				(124,022)	(145,809)
INTEREST PAID	(128,876)	(4,400)			(133,276)	(123,765)
CAPITAL CONTRIBUTIONS	9,321		1,277		10,598	7,764
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	51,831	(31,238)	851		21,444	(47,053)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
PURCHASE OF FIXED ASSETS	(2,909)	(20,971)	(3)		(23,883)	(24,233)
PROCEEDS FROM SALE OF FIXED ASSETS		1,247			1,247	1,681
PROCEEDS FROM SALE OF NOTES		7,721			7,721	2,466
INTEREST PAID	(183)				(183)	894
CAPITAL CONTRIBUTIONS	1,947				1,947	
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(1,145)	(12,003)	(3)		(13,151)	(19,192)
CASH FLOWS FROM INVESTING ACTIVITIES:						
PURCHASE OF LONG-TERM INVESTMENTS	(472,722)	(412)	(45,252)	(3,729,953)	(4,248,339)	(4,147,826)
PROCEEDS FROM SALE OF LONG-TERM INVESTMENTS	410,706	333	42,498	3,428,725	3,882,262	3,454,266
INVESTMENT INCOME RECEIVED			8,589	114,159	122,748	117,978
INTEREST RECEIVED	41,636	12,784		380,494	434,914	388,061
INTEREST PAID			(273)		(273)	(257)
NET CASH FROM INVESTING ACTIVITIES	(20,380)	12,705	5,562	193,425	191,312	(187,778)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	26,303	13,505	(1,790)	252,107	290,125	(103,154)
NET DISCOUNT AMORTIZATION OF CASH EQUIVALENTS				31,262	31,262	
CASH AND CASH EQUIVALENTS, JULY 1	135,655	110,642	38,234	283,334	567,865	671,019
CASH AND CASH EQUIVALENTS, JUNE 30	$ 161,958	$ 124,147	$ 36,444	$ 566,703	$ 889,252	$ 567,865
NONCASH CAPITAL AND FINANCING ACTIVITIES:						
CAPITAL LEASE OBLIGATIONS		$ 60			$ 60	
ACQUISITIONS OF FIXED ASSETS THROUGH CAPITAL LEASE		(60)			(60)	
DISPOSAL OF FIXED ASSETS	$ (102)				(102)	$ (27)
CONTRIBUTED FIXED ASSETS		53,097			53,097	100,920
TOTAL NONCASH CAPITAL AND FINANCING ACTIVITIES	$ (102)	$ 53,097			$ 52,995	$ 100,893

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
ALL COLLEGE AND UNIVERSITY CURRENT FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	UNRESTRICTED	RESTRICTED	TOTALS FOR THE YEAR ENDED (MEMORANDUM ONLY) JUNE 30, 1991	JUNE 30, 1990
REVENUES:				
EDUCATIONAL AND GENERAL:				
TUITION AND FEES	$ 247,214	$ 5	$ 247,219	$ 222,246
FEDERAL APPROPRIATIONS	14,256	96	14,352	13,543
LOCAL APPROPRIATIONS	1,779		1,779	1,768
FEDERAL GRANTS AND CONTRACTS	17,040	171,450	188,490	174,754
STATE GRANTS AND CONTRACTS	2,653	24,402	27,055	23,757
LOCAL GRANTS AND CONTRACTS	5,003	3,074	8,077	7,612
PRIVATE GIFTS, GRANTS AND CONTRACTS	5,933	63,115	69,048	62,898
ENDOWMENT INCOME	948	12,395	13,343	11,218
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	44,615		44,615	41,251
SALES AND SERVICES OF AUXILIARY ENTERPRISES AND HOSPITALS	388,115	4,072	392,187	358,728
OTHER SOURCES	28,171		28,171	29,428
TOTAL REVENUES	755,727	278,609	1,034,336	947,203
EXPENDITURES AND TRANSFERS:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	525,738	56,743	582,481	557,944
RESEARCH	36,888	93,612	130,500	123,042
PUBLIC SERVICE	48,047	59,157	107,204	99,159
ACADEMIC SUPPORT	98,583	6,514	105,097	103,947
STUDENT SERVICES	85,042	4,748	89,790	83,869
INSTITUTIONAL SUPPORT	115,054	2,840	117,894	117,069
OPERATION AND MAINTENANCE OF PLANT	96,988	93	97,081	97,779
SCHOLARSHIPS AND FELLOWSHIPS	19,074	70,300	89,374	79,045
EDUCATIONAL AND GENERAL EXPENDITURES	1,025,414	294,007	1,319,421	1,261,854
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	5,663		5,663	6,435
LOAN FUND MATCHING GRANT	69		69	220
RESTRICTED CURRENT FUND	(1)		(1)	101
NON-MANDATORY TRANSFERS FOR:				
LOAN FUND	(75)		(75)	
UNEXPENDED PLANT FUND	2,640		2,640	4,611
RENEWAL AND REPLACEMENT FUND	859		859	4,989
RETIREMENT OF INDEBTEDNESS FUND	10,059		10,059	5,796
RESTRICTED FUND	200		200	(15)
AUXILIARY ENTERPRISE AND HOSPITALS	(2,420)		(2,420)	(2,081)
ENDOWMENT FUND	345		345	2,072
STATE GENERAL FUND	(670,721)	(20,471)	(691,192)	(690,099)
STATE CHAIRS OF EXCELLENCE TRUST FUND		1,000	1,000	1,583
TOTAL EDUCATIONAL AND GENERAL	372,032	274,536	646,568	595,466
AUXILIARY ENTERPRISE AND HOSPITAL:				
EXPENDITURES	339,526	4,073	343,599	316,146
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	22,630		22,630	19,961
RENEWAL AND REPLACEMENT FUND	18		18	18
NON-MANDATORY TRANSFERS FOR:				
RENEWAL AND REPLACEMENT	2,634		2,634	4,069
UNEXPENDED PLANT FUND	(863)		(863)	5,145
EDUCATIONAL AND GENERAL FUND	2,420		2,420	2,081
RETIREMENT OF INDEBTEDNESS FUND	1,588		1,588	1,593
ENDOWMENT FUND	370		370	1,135
TOTAL AUXILIARY ENTERPRISE AND HOSPITAL EXPENDITURES AND TRANSFERS	368,323	4,073	372,396	350,148
TOTAL CURRENT EXPENDITURES AND TRANSFERS	740,355	278,609	1,018,964	945,614
OTHER TRANSFERS AND ADDITIONS(DEDUCTIONS):				
EXCESS OF RESTRICTED RECEIPTS OVER TRANSFER TO REVENUE		25,331	25,331	24,296
INDIRECT COST RECOVERIES		(20,055)	(20,055)	(18,844)
TRANSFERS FROM (TO) OTHER FUNDS	363	(782)	(419)	(911)
REFUNDED TO GRANTORS		(442)	(442)	(880)
OTHER ADDITIONS(DEDUCTIONS)	5,487	(870)	4,617	5,095
NET INCREASE IN FUND BALANCES	$ 21,222	$ 3,182	$ 24,404	$ 10,345

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
ALL COLLEGE AND UNIVERSITY FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	CURRENT FUNDS			ENDOWMENT	LIFE
	UNRESTRICTED	RESTRICTED	LOAN	AND SIMILAR	INCOME
REVENUES AND OTHER ADDITIONS:					
EDUCATIONAL AND GENERAL REVENUES	$ 367,612				
AUXILIARY ENTERPRISES AND HOSPITALS	388,115	$ 35			
GRANTS AND CONTRACTS - RESTRICTED		104,365	$ 898		
GIFTS AND BEQUESTS - RESTRICTED		190,962	164	$ 7,060	$ 3,685
REALIZED GAINS ON INVESTMENTS				327	135
INTEREST INCOME - RESTRICTED			1,282		
INVESTMENT INCOME - RESTRICTED		281	154	180	1,218
ENDOWMENT INCOME		8,083	40	471	
BONDS AND NOTES ISSUED AND RETIRED					
EQUIPMENT USE CHARGES					
STUDENT DEBT SERVICE FEES					
EXPENDED FOR PLANT FACILITIES					
OTHER	5,587	226	380	206	
TOTAL REVENUES AND OTHER ADDITIONS	761,314	303,952	2,918	8,244	5,038
EXPENDITURES AND OTHER DEDUCTIONS:					
EDUCATIONAL AND GENERAL EXPENDITURES	1,025,414	294,007			
AUXILIARY ENTERPRISE EXPENDITURES	339,526	4,073			
INDIRECT COST RECOVERED		20,055			
REFUNDED TO GRANTORS		442	75		
LOAN CANCELLATIONS AND WRITE-OFFS		1	769		
ADMINISTRATIVE AND COLLECTION COST			203		
EXPENDED FOR PLANT FACILITIES					
RETIREMENT OF INDEBTEDNESS					
INTEREST ON INDEBTEDNESS					
DISPOSAL OF PLANT FACILITIES					
PAYMENTS TO BENEFICIARIES					1,167
BONDS AND NOTES ISSUED					
OTHER	99	911	879	758	5
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	1,365,039	319,489	1,926	758	1,172
TRANSFERS AMONG FUNDS ADDITIONS(DEDUCTIONS):					
MANDATORY:					
PRINCIPAL AND INTEREST	(28,293)				
LOAN FUND MATCHING GRANT	(70)	(18)	88		
ENDOWMENT FUND				380	(380)
RENEWAL AND REPLACEMENT FUND	(18)				
NON-MANDATORY:					
RESTRICTED CURRENT FUND	161	(161)			
ENDOWMENT FUND	(640)	(127)		1,191	
LOAN FUND	4	30	(34)		
UNEXPENDED PLANT FUND	(1,778)	(476)			
RENEWAL AND REPLACEMENT FUND	(15,140)				
STATE GENERAL FUND AND CAPITAL PROJECTS FUND	670,721	20,471			
STATE CHAIRS OF EXCELLENCE TRUST FUND		(1,000)			
TOTAL TRANSFERS AMONG FUNDS	624,947	18,719	54	1,571	(380)
NET INCREASE(DECREASE) FOR THE YEAR	21,222	3,182	1,046	9,057	3,486
FUND BALANCE, JULY 1	76,500	50,084	47,824	120,988	15,646
FUND BALANCE, JUNE 30	$ 97,722	$ 53,266	$ 48,870	$ 130,045	$ 19,132

See accompanying Notes to the Financial Statements

PLANT FUNDS				TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
UNEXPENDED	RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	JUNE 30, 1991	JUNE 30, 1990
				$ 367,612	$ 337,182
				388,150	354,859
$ 30,382	$ 604	$ 1,893		138,142	99,279
2,550	4	2,154	$ 2,735	209,314	191,680
				462	3,645
				1,282	1,320
2,697	2,590	3,963	29	11,112	12,264
				8,594	7,500
			21,213	21,213	55,302
	4,843	166	286	5,295	5,737
183		5,388		5,571	5,338
	172		156,836	157,008	145,977
2,692	136	72	4,288	13,587	10,005
38,504	8,349	13,636	185,387	1,327,342	1,230,088
				1,319,421	1,261,854
				343,599	316,146
				20,055	18,639
				517	979
				770	1,046
		113		316	241
99,269	12,291	337		111,897	91,581
		21,198		21,198	15,890
		18,662	13	18,675	19,533
			22,606	22,606	24,038
				1,167	1,155
			37,034	37,034	40,286
11,637	53		13,626	27,968	10,821
110,906	12,344	40,310	73,279	1,925,223	1,802,209
(52)		28,345			
	18				
(424)					
5,602	(755)	(2,593)			
(16)	3,020	12,136			
73,234				764,426	738,019
				(1,000)	(1,583)
78,344	2,283	37,888		763,426	736,436
5,942	(1,712)	11,214	112,108	165,545	164,315
36,898	45,189	65,936	1,875,855	2,334,920	2,170,605
$ 42,840	$ 43,477	$ 77,150	$ 1,987,963	$ 2,500,465	$ 2,334,920

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL(BUDGETARY BASIS)
GENERAL FUND AND ALL BUDGETED SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1991

(Expressed in Thousands)

	GENERAL FUND		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES(BUDGETARY BASIS), JULY 1	$ 265,059	$ 265,059	
ADD:			
PRIOR YEAR ENCUMBRANCES LIQUIDATED	3,333	3,333	
CONTRACT RESERVES REAPPROPRIATED			
CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE			
ADJUSTED FUND BALANCES(BUDGETARY BASIS), JULY 1	268,392	268,392	
REVENUES:			
TAXES	3,403,580	3,321,866	$ (81,714)
LICENSES, FINES, FEES, AND PERMITS	128,366	135,575	7,209
INTEREST ON INVESTMENTS	71,000	46,486	(24,514)
FEDERAL	2,281,325	2,130,706	(150,619)
DEPARTMENTAL SERVICES	415,007	389,073	(25,934)
OTHER	66,495	49,204	(17,291)
OTHER FINANCING SOURCES	55,621	55,621	
TOTAL SOURCES OF FINANCIAL RESOURCES	6,689,786	6,396,923	(292,863)
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
GENERAL GOVERNMENT			
LEGISLATIVE	16,065	16,135	(70)
SECRETARY OF STATE	19,624	17,999	1,625
COMPTROLLER	33,930	32,525	1,405
TREASURER	8,846	8,550	296
PUBLIC SERVICE COMMISSION			
GOVERNOR	14,800	9,888	4,912
COMMISSIONS	50,642	47,243	3,399
FINANCE AND ADMINISTRATION	18,500	18,419	81
PERSONNEL	6,287	5,698	589
GENERAL SERVICES	13,558	13,807	(249)
REVENUE	36,576	34,863	1,713
MISCELLANEOUS APPROPRIATIONS	16,616	11,205	5,411
EDUCATION	1,697,072	1,686,294	10,778
HEALTH AND SOCIAL SERVICES			
VETERANS AFFAIRS	1,830	1,768	62
EMPLOYMENT SECURITY	52,570	46,923	5,647
LABOR	94,333	70,956	23,377
MENTAL HEALTH AND MENTAL RETARDATION	334,670	311,361	23,309
HEALTH AND ENVIRONMENT	2,020,945	1,924,655	96,290
HUMAN SERVICES	615,063	605,123	9,940
LAW, JUSTICE AND PUBLIC SAFETY			
JUDICIAL	83,484	78,964	4,520
CORRECTION	275,728	276,683	(955)
YOUTH DEVELOPMENT	57,736	57,244	492
MILITARY	29,112	22,108	7,004
BUREAU OF CRIMINAL INVESTIGATION	13,397	12,662	735
SAFETY	83,110	75,557	7,553
RECREATION AND RESOURCE DEVELOPMENT			
AGRICULTURE	18,884	17,414	1,470
TOURIST DEVELOPMENT	11,483	10,748	735
CONSERVATION	75,429	69,787	5,642
WILDLIFE RESOURCES			
ECONOMIC AND COMMUNITY DEVELOPMENT	54,782	53,816	966
REGULATION OF BUSINESS AND PROFESSIONS			
COMMERCE AND INSURANCE	25,935	24,071	1,864
FINANCIAL INSTITUTIONS	5,597	5,295	302
TRANSPORTATION			
OTHER FINANCING USES	753,029	753,029	
TOTAL USES OF FINANCING RESOURCES	6,539,633	6,320,790	218,843
FUND BALANCES(BUDGETARY BASIS), JUNE 30 (Note 2)	$ 150,153	$ 76,133	$ (74,020)

See accompanying Notes to the Financial Statements

SPECIAL REVENUE FUNDS			TOTALS(MEMORANDUM ONLY)		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 74,840	$ 74,840		$ 339,899	$ 339,899	
140	140		3,473	3,473	
327,657	327,657		327,657	327,657	
1,590	1,590		1,590	1,590	
404,227	404,227		672,619	672,619	
539,600	548,797	$ 9,197	3,943,180	3,870,663	$ (72,517)
47,863	40,139	(7,724)	176,229	175,714	(515)
	4,524	4,524	71,000	51,010	(19,990)
900,377	271,993	(628,384)	3,181,702	2,402,699	(779,003)
47,642	22,898	(24,744)	462,649	411,971	(50,678)
	3,983	3,983	66,495	53,187	(13,308)
9,041	9,041		64,662	64,662	
1,948,750	1,305,602	(643,148)	8,638,536	7,702,525	(936,011)
			16,065	16,135	(70)
			19,624	17,999	1,625
			33,930	32,525	1,405
16,670	12,845	3,825	25,516	21,395	4,121
13,691	13,121	570	13,691	13,121	570
			14,800	9,888	4,912
			50,642	47,243	3,399
			18,500	18,419	81
			6,287	5,698	589
			13,558	13,807	(249)
			36,576	34,863	1,713
			16,616	11,205	5,411
1,800	1,774	26	1,698,872	1,688,068	10,804
			1,830	1,768	62
			52,570	46,923	5,647
			94,333	70,956	23,377
			334,670	311,361	23,309
25,099	14,689	10,410	2,046,044	1,939,344	106,700
			615,063	605,123	9,940
			83,484	78,964	4,520
			275,728	276,683	(955)
			57,736	57,244	492
			29,112	22,108	7,004
			13,397	12,662	735
518	310	208	83,628	75,867	7,761
287	287		19,171	17,701	1,470
			11,483	10,748	735
			75,429	69,787	5,642
32,697	29,940	2,757	32,697	29,940	2,757
			54,782	53,816	966
83	38	45	26,018	24,109	1,909
			5,597	5,295	302
1,817,413	1,151,923	665,490	1,817,413	1,151,923	665,490
2,706	2,706		755,735	755,735	
1,910,964	1,227,633	683,331	8,450,597	7,548,423	902,174
$ 37,786	$ 77,969	$ 40,183	$ 187,939	$ 154,102	$ (33,837)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation - The accompanying financial statements of the State of Tennessee have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial statements of the College and University Funds have been prepared in conformity with generally accepted accounting principles for colleges and universities as prescribed by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants, and as modified by the Governmental Accounting Standards Board. Certain amounts presented for the preceding year have been reclassified for comparative purposes.

B. Financial Reporting Entity - For financial reporting purposes the State of Tennessee includes all fund types, account groups, departments and agencies of the state, as well as boards, commissions, authorities, colleges and universities, over which the state's executive, legislative and judicial branches exercise oversight responsibility. This complies with Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Oversight responsibility is defined to include the following considerations:

1. Financial interdependency;
2. Selection of governing authority;
3. Designation of management;
4. Ability to significantly influence operations; and/or
5. Accountability for fiscal matters.

In addition to oversight responsibility, a second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based primarily on the fact that the state exercises control over the selection of the governing authority and can significantly influence operations, the following component units have been included in the Comprehensive Annual Financial Report:

Tennessee Housing Development Agency
Tennessee Local Development Authority
Tennessee State School Bond Authority
Tennessee Comprehensive Health Insurance
Tennessee Student Assistance Corporation
Tennessee Consolidated Retirement System
Tennessee Board of Regents
University of Tennessee
First Tennessee Community Health Agency
East Tennessee Community Health Agency
Upper Cumberland Community Health Agency
Southeast Regional Community Health Agency
Mid-Cumberland Community Health Agency
South Central Community Health Agency
Northwest Community Health Agency
Southwest Community Health Agency
Davidson County Community Health Agency
Knox County Community Health Agency
Shelby County Community Health Agency
Hamilton County Community Health Agency
Veterans' Nursing Home

C. Fund Structure and Basis of Accounting - The financial activities of the state reported in the accompanying statements are classified into four fund categories and two account groups, all described below. The fund categories include governmental funds, proprietary funds, fiduciary funds, and college and university funds. Account groups are presented for general fixed assets and general long-term obligations.

The state's governmental funds include:

1. the General Fund - used to account for all financial transactions not required to be accounted for in other funds;
2. the Special Revenue Funds - used to account for specific revenues earmarked to finance particular or restricted programs and activities;
3. the Debt Service Fund - used to account for the payment of principal and interest on general long-term debt; and
4. the Capital Projects Fund - used to account for the acquisition or construction of all major governmental capital facilities.

All of the governmental funds are accounted for on the modified accrual basis of accounting. In accordance with this basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Principal revenue sources accounted for on the modified accrual basis include federal grants, departmental services, interest on investments, sales taxes, petroleum and vehicular-related taxes and fees, and gross receipts taxes. During fiscal year 1991, the state changed its determination for availability of tax revenues from 30 to 60 days. In addition, the state changed the due date for the insurance company premium tax from September 2 to August 29. Licenses, fines, fees and permits are accounted for on the cash basis. Expenditures are recognized at the time fund liability is incurred except:

a. Inventories generally are considered expenditures when consumed;
b. Prepayments usually are not recorded; and
c. Principal and interest on long-term debt are recorded when due.

Encumbrance accounting is utilized for budgetary control purposes. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditure.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary funds include:

1. the Enterprise Funds - used to account for the operations of self-sustaining state agencies providing goods or services to the general public on a user-charge basis; and
2. the Internal Service Funds - used to account for the operations of self-sustaining state agencies providing goods or services to other state agencies on a cost-reimbursement basis.

The proprietary funds are accounted for on the accrual basis. Under this method, revenues are recorded when earned and expenses at the time liabilities are incurred.

The fiduciary funds represent Trust and Agency Funds which are used to account for assets held by the state in a trust or agency capacity. These funds include:

1. the Expendable Trust Funds - used to account for the activities of trusts whose principal and income may be used for the purposes of the trust;
2. the Nonexpendable Trust Funds - used to account for the activities of trusts whose income is used to fund the trust purpose but whose principal is to be maintained intact;
3. the Pension Trust Fund - used to account for the activities of the state-administered retirement system; and
4. the Agency Funds - used to account for amounts held in custody for others.

Expendable Trust and Agency Funds are accounted for on the modified accrual basis of accounting. Nonexpendable and Pension Trust Funds are accounted for on the accrual basis.

All proprietary funds, nonexpendable trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The college and university funds include:

1. Current Funds - used to account for resources that will be expended in the near term for operating purposes of the institutions. These include (a) unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and (b) restricted funds which may be utilized only in accordance with externally-restricted purposes;
2. Fiduciary Funds - used to account for assets held by loan, endowment, life income and agency funds in which the universities act in a fiduciary capacity; and
3. Plant Funds - used to account for institutional property acquisition, renewal, replacement, debt service and investment.

The college and university funds are accounted for on the accrual basis of accounting with the following exceptions:

A. Depreciation expense related to plant fund assets is not recorded; and
B. Revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the term is predominantly conducted.

The account group for general fixed assets is maintained to account for all fixed assets acquired or constructed for use by the state, other than those accounted for in the proprietary, fiduciary, and college and university funds.

The account group for general long-term obligations is maintained to account for general obligation bonds outstanding, arbitrage payable, claims payable and accrued annual and compensatory leave not otherwise recorded in proprietary, fiduciary, and college and university funds.

D. Budgetary Process - Legislation requires the Governor to present his proposed budget to the General Assembly at the beginning of each annual session. Annual budgets are adopted for the general and special revenue funds, except the Community Health Agencies (accounted for as Special Revenue Funds). The General Assembly enacts the budget through passage of specific departmental appropriations, the sum of which may not exceed estimated revenues. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget becomes the state's financial plan for the coming year.

Budgetary control is maintained at the departmental level. Budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, may be affected with certain executive and legislative branch approval. Only the legislature, however, may transfer appropriations between departments.

Unencumbered appropriations lapse at the end of each fiscal year. In order to provide sufficient funding for several programs during the year, supplemental appropriations of $71.5 million were required.

The state's annual budget is prepared on the modified accrual basis of accounting with several exceptions, principally the effect of encumbrance and contract obligations. Because these exceptions represent departures from generally accepted accounting principles (GAAP), actual amounts in the accompanying budgetary comparison statement are presented on the budgetary basis. A reconciliation of the differences between the budgetary and GAAP basis is presented in Note 21. The budgetary comparison statement includes the General Fund and Special Revenue Funds, except the Community Health Agencies which are not included in the state's budgetary process.

E. Cash and Cash Equivalents - In addition to demand accounts and petty cash, this classification includes all short-term investments with a maturity date within three months of the date acquired by the state. These short-term investments are stated at cost or amortized cost which at June 30, 1991 approximated market. Collateral, as required by law, is pledged by the various banks and government securities dealers to guarantee state funds placed with them.

F. Investments - This classification includes long-term investments, principally the Pension Trust Fund portfolio, which are stated at cost or amortized cost. Debt securities included in this classification are expected to be held to maturity and redeemed at face value. Investments in the Deferred Compensation Fund are valued at market.

G. Receivables - Receivables in the state's governmental and fiduciary funds primarily consist of taxes, interest, and federal revenues, recorded when earned. The remaining governmental fund revenues are not considered susceptible to accrual prior to receipt; accordingly, licenses, fees, fines, permits and similar revenues are recognized on the cash basis. Certain Trust Fund receivables, representing taxes and benefits overpayments, have been reduced by an allowance for uncollectibles. Receivables in all other funds have arisen in the ordinary course of business. College and University receivables have also been reduced by an uncollectible allowance.

H. Interfund Transactions - The state basically has four types of interfund transactions, as follows:

1. Services rendered and employee benefit contributions. These transactions are accounted for as revenues, expenditures or expenses in the funds involved.
2. Operating appropriations/subsidies. These are accounted for as operating transfers in the funds involved.
3. Equity contributions. These are accounted for as equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital).
4. College and university interfund borrowings. These transactions represent borrowings of a temporary nature and are reported as assets of the college and university fund making the advance and as liabilities of the fund receiving the advance.

The composition of the state's interfund receivables and payables at June 30, 1991 is presented in Note 2F.

I. Advances to Other Funds - Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

J. Inventories - Inventories of materials and supplies are determined by physical count and are valued at cost.

K. Fixed Assets and Depreciation - General fixed assets are presented in the accompanying financial statements at cost or estimated historical cost. Donated fixed assets are stated at fair market value at the time of donation. Interest during construction has not been capitalized. Also, certain public domain fixed assets (including highways, bridges, highway lands and rights-of-way) are not capitalized. No depreciation is provided on general fixed assets.

Enterprise, Internal Service and Nonexpendable Trust Fund fixed assets are stated at cost. They are being depreciated principally on a straight-line basis over estimated useful lives ranging from 20 to 50 years for Structures and Improvements and 5 to 10 years for Machinery and Equipment. It is the State's policy to capitalize interest expense incurred on significant assets during their construction.

Generally, College and University Fund fixed assets are stated at cost and are not depreciated. Because of the magnitude of library holdings, however, it has been the state's policy to value library books at a standard amount per volume, currently $20, which approximates cost.

A statement of changes in general fixed assets for the year ended June 30, 1991 is presented in Note 2A.

L. Accumulated Unpaid Vacation and Sick Pay - The state's liability for accumulated unpaid annual and compensatory time is reported in the accompanying General Long-Term Obligations Account Group for all governmental fund types. In the proprietary fund types and the college and university funds, this obligation is reported as a current liability.

There is no liability in the accompanying financial statements for unpaid accumulated sick leave since it is the state's policy to record the cost of sick leave only when paid. See Note 8A. for disclosure of the amount of this contingency.

M. Fund Balance Reserves and Designations - The state's fund balance reserves represent those portions of fund balance (1) not appropriable for expenditure or (2) legally segregated for a specific future use. In the accompanying Combined Balance Sheet, reserves for related assets such as inventories, petty cash, and prepayments are examples of the former. Reserves for encumbrances, contracts, continuing appropriations and other specific purposes are examples of the latter. The state's fund balance designations reflect tentative plans for future use of financial resources. The General Fund designation for revenue fluctuations, has been established as protection in the event of future revenue shortfalls or expenditure overruns.

N. Totals (Memorandum Only) - Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. Comparative Data - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. General Fixed Assets - A statement of changes in general fixed assets for the year ended June 30, 1991 is shown below (expressed in thousands).

	Land	Structures and Improvements	Machinery and Equipment	Construction in Progress	Totals
Balance, July 1, 1990	$79,041	$738,936	$240,614	$ 28,636	$ 1,087,227
Additions	15,764	55,477	34,125	85,252	190,618
Deductions	(9,429)	(60,793)	(15,389)	(52,739)	(138,350)
Balance, June 30, 1991	$85,376	$733,620	$259,350	$ 61,149	$1,139,495

B. Fund Equity Restatement - During fiscal year 1991, the State restated the beginning balance of the Veterans' Nursing Home, an Enterprise Fund. This change was made to correct an error in capitalizing construction interest costs. In addition, Shelby County Community Health Agency, a Special Revenue Fund, restated beginning fund balance to correct an error in recognizing liabilities.

This change has been reported in the accompanying financial statements by restating beginning fund equity as shown below (expressed in thousands).

	Special Revenue Funds	Enterprise Funds	All Fund Types and Account Group Totals (Memorandum Only)
Fund Equity as previously reported June 30, 1990	$ 411,716	$ 153,549	$ 13,489,062
Error in Capitalized Construction Interest		53	53
Error in Recording Liability	(28)		(28)
Fund Equity as restated June 30, 1990	$ 411,688	$ 153,602	$ 13,489,087

C. Change in Accounting Principle - During fiscal year 1991, the state changed its method of accounting for licenses from the modified accrual basis to the cash basis. This change in accounting principle increased fund balance in the General Fund by $7.7 million, which is not considered to be material. However, the accounting principle change was considered material to the Public Service Commission, a Special Revenue Fund. This method of accounting treatment for licenses is a more preferable method in that it meets the measurable and available criteria.

The effect of the accounting change on the Excess of Revenues and Other Sources over Expenditures and Other Uses in the Special Revenue Fund as previously reported for June 30, 1990 is (expressed in thousands):

Excess of Revenues and Other Sources over (under) Expenditures and Other Uses as previously adjusted June 30,1990	$ 31,655
Adjustment for effect of a change in accounting principles assuming the change is applied retroactively	230
Adjusted Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	$ 31,885
Fund Balance as previously adjusted June 30, 1990	$411,688
Adjustment for effect of a change in accounting principles assuming the change is applied retroactively	1,590
Adjusted Fund Balance, June 30, 1990	$413,278

In fiscal year 1991 the State adopted the provisions of Statement 9 of the Governmental Accounting Standards Board (GASB 9), Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds, and Governmental Entities that use Proprietary Fund Accounting, which was issued in September 1989. For comparative purposes, the June 30, 1990 cash flow information is presented in conformity with GASB 9. This change had no effect on fund equity previously reported.

D. Individual Fund Deficits - The following individual funds have deficit retained earnings/fund balances at June 30, 1991 (expressed in thousands):

Capital Projects	$ (25,036)
Enterprise Funds:	
Comprehensive Health Insurance	$ (6,943)
Veterans' Nursing Home	(106)
Teacher Group Insurance	$ (8,196)
Property Utilization	$ (1,254)
Internal Service Funds:	
Employee Group Insurance	$ (27,126)
College and University Funds:	
Unrestricted	$ (3,924)

The deficit in the Capital Projects Fund for unreserved fund balance is caused by contracts being entered into for which the bonds have not been sold. When the bonds are sold this deficit will be corrected. Increases in fees and charges for services and products are expected to eliminate deficits in the remaining funds in fiscal years 1992 and beyond.

E. Segment Information - Segment financial information for the state's Enterprise Funds for the year ended June 30, 1991 is presented below (expressed in thousands). These enterprise funds provide the following types of goods or services (in the order shown below): Housing loans, local government loans, sewage treatment loans, sewage treatment facilities loans, insurance, small business energy loans, nursing home, insurance, and property distribution.

	Tennessee Housing Development Agency	Local Development Authority	State Loan Program	Sewer Treatment Loan
Operating Revenues	$ 155,082	$ 8,281	$ 3,706	$ 1,177
Depreciation and Amortization	250	140		
Operating Income (Loss)	15,316	831	300	1,177
Operating Grants, Entitlements, and Shared Revenues	23,063			435
Operating Transfers In		25		
Operating Transfers Out			25	
Tax Revenues	6,820			
Assessments				
Net Income (Loss)	16,260	856	275	1,177
Current Capital Transfers				21,261
Property, Plant and Equipment:				
Additions				
Deletions	1			
Net Working Capital	229,923	(24,402)	5,233	19,398
Total Assets	1,904,714	110,762	59,553	38,122
Bonds and Other Long-Term Liabilities Payable from Operating Revenues	1,608,147	48,150	50,990	
Total Equity	157,175	6,022	3,576	37,329

Comprehensive Health Insurance	Small Business Energy Loan Program	Veterans' Nursing Home	Teacher Group Insurance	Property Utilization	Totals
$ 11,475	$ 50	$ 28	$ 43,308	$ 1,606	$224,713
		12		8	410
(5,590)	50	(110)	(3,062)	(563)	8,349
	1,186				24,684
3,000				82	3,107
					25
					6,820
3,000					3,000
410	1,236	(106)	(3,062)	(481)	16,565
		1,982		284	23,527
		2,965			2,965
				140	141
(6,943)	538	875	(8,196)	(142)	216,284
2,694	1,888	6,186	5,583	110	2,129,612
		2,620			1,709,907
(6,943)	1,767	2,966	(8,196)	(104)	193,592

F. Interfund Accounts - A summary of interfund receivables and payables at June 30, 1991 is shown below (expressed in thousands).

	RECEIVABLES							
		Special Revenue Funds			Enterprise Funds		Internal Service Funds	
PAYABLES	General Fund	Highway Fund	Community Health Agencies	Capital Projects Fund	Veterans' Nursing Home	Property Utiliz.	Motor Vehicle Mngmt.	Facilities Revolving Fund
General			$ 438	$65,923				
Special Revenue:								
Highway								
Wildlife Resources Agency								
Driver Education								
Hazardous Waste								
Underground Storage Tanks								
Community Health Agencies	$ 256							
Capital Projects								
Enterprise:								
Housing Development Agency								
Comprehensive Health Insurance	3,087							
Veterans' Nursing	323							
Property Utilization								
Internal Service:								
Office for Information Resources								
Motor Vehicle Management								
General Services Printing								
Postal Services								
Trust and Agency:								
Local Government Investment		$ 52	887	5,882	$ 944			
Student Assistance Corporation								
Chairs of Excellence								
College and University Funds	321					$ 1	$ 11	$ 24
Totals	$ 3,987	$ 52	$ 1,325	$71,805	$ 944	$ 1	$ 11	$ 24

RECEIVABLES

Trust and Agency Funds								
Employment Security	Local Government Investment	Employee Flexible Benefits	Student Assistance Corporation	Pension Trust	Contingent Revenue	Deferred Compensation	College and University Funds	Totals
$ 148	$ 3	$ 69		$ 1,851	$ 4,155	$ 106	$ 94	$ 72,787
		7		274	612	16		909
		1		34	79	3		117
					1			1
		1		3	7			11
				4	9			13
							62	318
							3,743	3,743
		1		6	12			19
								3,087
								323
				3	6			9
		2		21	47	1		71
				2	5			7
				5	9			14
				1	4			5
							151,910	159,675
				1	4			5
			$ 3,326					3,326
				3,414		33	2,839	6,643
$ 148	$ 3	$ 81	$ 3,326	$ 5,619	$ 4,950	$ 159	$ 158,648	$251,083

G. Fund Balance Reserves and Designations - Specific purpose reserves represent current and past legislative appropriations requiring year-end segregation. A summary of the nature and purpose of these reserves at June 30, 1991 by fund type follows (expressed in thousands).

Reserved for Other Specific Purposes	General	Special Revenue	Trust and Agency	College and University
Capital Outlay				$ 46,547
Highway Construction		$ 70,808		
Wildlife Resources Program		22,283		
Hazardous Waste Program		5,324		
Criminal Injuries Program		4,005		
Underground Storage Tanks		16,435		
Drunk Driver Victim Compensation		10,427		
Unemployment Compensation Benefits			$ 690,949	
Pension Benefits			8,830,536	
Restricted Gifts, Grants and Contracts				248,678
Student Loan Program			30,560	
Higher Education Chairs of Excellence			113,726	
Other Non-Lapsing and Special Revenue Programs	$ 2,119	7,427	17,576	
Totals	$ 2,119	$136,709	$9,683,347	$ 295,225

The General Fund designation for other specific purposes represents the following appropriations made by the Legislature to carry out tentative managerial plans for fiscal year 1992 (expressed in thousands):

Casualty Losses	$ 5,000
Industries for the Blind	132
	$ 5,132

H. Accounts and Notes Receivable - As of June 30, 1991, certain Trust Fund receivables of $78 million, representing taxes and benefit overpayments, have been reduced by $14 million allowance for uncollectibles. Agency Fund receivables of $126 million have been reduced by $5 million allowance for uncollectibles. College and University receivables of $222 million have been reduced by a $50 million uncollectible allowance.

I. Budgetary Basis vs. GAAP - The accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and All Budgeted Special Revenue Fund Types presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since the budgetary and GAAP presentations of actual data differ, a reconciliation of the two is presented below (expressed in thousands).

	General Fund	All Special Revenue Funds
Fund Balances (Budgetary Basis), June 30, 1991	$ 76,133	$ 77,969
Add:		
Reserve for encumbrances and contracts	7,542	237,579
Unbudgeted clerk fee income	37	
Unbudgeted Community Health Agencies		138
Highway construction appropriations carried forward		70,808
Fund Balances (GAAP Basis), June 30, 1991	$ 83,712	$ 386,494

NOTE 3 - NOTES, BONDS AND CAPITAL LEASE OBLIGATIONS PAYABLE

A. Bonds Payable - Bonds Payable at June 30, 1991 are shown below (expressed in thousands).

	Bonds
Enterprise Funds:	
General obligation bonds, 4.875% to 7.5%, due in generally decreasing amounts of principal and interest ranging from $7 million in 1993 to $1 million in 2010	$ 54,345
Tennessee Local Development Authority revenue bonds, 4% to 9.4%, due in decreasing amounts of principal and interest from $6 million in 1992 to $1 million in 2015	49,447
Veterans' Nursing Home Board Revenue Bonds, 1989 series, 6.3% to 7.5%, due in amounts of principal and interest ranging from $232 thousand in 1992 to $218 thousand in 2013	2,468
Tennessee Housing Development Agency mortgage finance program revenue bonds, various Series, 5% to 14%, due in amounts of principal and interest ranging from $151 million in 1998 to $6 million in 2024	1,663,927
Total Enterprise Funds	1,770,187
Internal Service Funds:	
Tennessee State School Bond Authority 1987 refunding revenue bonds, 4.0% to 6.75%, crossover date May 1, 1992, principal and interest due in amounts ranging from $6.5 million in 1994 to $4.4 million in 1992.	68,935
General Long-Term Debt:	
General obligation bonds, 0.1% to 8.4%, due in decreasing amounts of principal and interest from $103 million in 1992 to $5 million in 2011	525,552
General obligation refunding bonds, 1991 Series A, 5.8% to 6.375% principal and interest due in amounts ranging from $8.5 million in 1993 to $3.1 million in 1992	52,325
Total General Long-Term Debt	577,877
College and University Funds:	
Tennessee State School Bond Authority revenue bonds, various Series, 4.1% to 9.625%, due in decreasing amounts of principal and interest from $20 million in 1992 to $6 million in 2012	180,418
Tennessee State School Bond Authority 1985 daily demand bonds, maturing to 1999	6,700
Tennessee State School Bond Authority 1985 Tax-Exempt Exchangeable Securities, maturing to 2015	31,000
Tennessee State School Bond Authority 1989 Current Interest and College Savings Bonds, Maturity 2020	34,885
Tennessee State School Bond Authority 1990 Series A Taxable and Series B Tax Exempt Revenue Bonds, Maturity 2011	7,645
Non-Authority revenue bonds, 3.75% to 5%, due in generally decreasing amounts of principal and interest from $551 thousand in 1992 to $85 thousand in 2005	4,386
Total College and University Funds	265,034
Total Bonds Payable	$2,682,033

The full faith and credit of the state, together with certain tax revenues, are pledged to secure all general obligation bonds listed above. Although the Enterprise Fund general obligation debt is being retired from resources of that fund (State Loan Program Fund), the state remains contingently liable for its payment. The revenue bonds listed above are not obligations of the state. They are secured by pledge of resources from the facilities to which they relate and by certain other revenues, fees and assets of the Tennessee Local Development Authority (TLDA), the Tennessee Housing Development Agency (THDA), the Tennessee State School Bond Authority (TSSBA), the Veterans' Nursing Home and the various colleges and universities.

Variable rate daily demand bonds. Included in the College and University Funds revenue bonds is $6.7 million of variable rate daily demand bonds issued by the TSSBA in 1985. The proceeds were used to (1) provide funding for hospital equipment at the University of Tennessee, (2) establish a debt service reserve fund in accordance with the general bond resolution, and (3) pay costs incurred to issue the bonds. The bonds are scheduled to mature on May 1, 1999. However, it is the intent of the University of Tennessee to retire the debt on May 1, 1993. The University of Tennessee, under a separate agreement with the escrow agent, has deposited monies to fulfill monthly interest requirements prior to the semi-annual payment dates. Under terms of the general bond resolution, these monthly obligations are not recognized as authority transactions until the semi-annual payment dates. The bonds are subject to purchase by the remarketing agent on the demand of the holder on any business day, pursuant to the conditions set forth in the Official Statement. The remarketing agent, Morgan Guaranty Trust Company of New York, is authorized to use its best efforts to sell the repurchased bonds. Under a standby bond purchase agreement, the commitment to purchase bonds shall terminate on the earlier of (i) May 1, 1993, or (ii) the close of business on the effective date of the conversion of the Bonds to the Fixed Interest Rate. Morgan Guaranty is required to pay the purchase price of the bonds if it is unable to resell any bonds that are "put". Generally, the interest rate paid to the bank during the period it holds the bonds will be the prime lending rate. The authority is obligated to pay Morgan Guaranty .25% per annum of the daily outstanding balance to maintain the standby liquidity.

Tax-Exempt Exchangeable Securities. The $31 million TSSBA bond issue above represents (1) $1.1 million of bonds maturing serially through 1993 at interest rates ranging from 7.15% to 7.3%; and (2) $29.9 million of tax-exempt exchangeable securities, maturing in 2015, at 7%, requiring increasing sinking fund payments from 1994 to 2015. Beginning November 1988 and semi-annually thereafter, however, each holder of the 7% securities may exercise a one-time election to convert to another interest rate, not to exceed 10%, as established by an independent municipal securities evaluation service pursuant to a prescribed formula.

Bond sales during the year ended June 30, 1991 included the following issues:

August 1990	- THDA revenue bonds of $78.6 million.
September 1990	- THDA revenue bonds of $72.4 million.
December 1990	- TSSBA revenue bonds of $7.7 million.
March 1991	- THDA revenue bonds of $75 million.
June 1991	- General Obligation Bonds of $152 million.

The August 1990 $78.6 million THDA bond issue above represents $16.2 million of bonds maturing serially through 2005 at interest rates ranging from 6.2% to 7.4%, $11 million term bond at 7.5% interest due 2010, and $51.4 million term bond at 7.625% interest due 2022.

The September 1990 $72.4 million THDA bond issue above represents $9.6 million of bonds maturing serially through 2002 at 6.6% and (2) $62.8 million of term bonds due as follows: $15.9 million at 6.6% due 2011, $46.9 million at 6.6% due 2023.

The December 1990 $7.7 million TSSBA bond issue above represents $7.7 million of bonds maturing serially through 2005 at interest rates ranging from 6.7% to 9%.

The March 1991 $75 million THDA bond issue above represents (1) $18.3 million of bonds maturing serially through 2006 at interest rates ranging from 5.3% to 6.95%; (2) $56.7 million of term bonds due as follows: $11.46 million at 7.35% due 2011, $15.66 million at 7.4% due 2016; and $29.58 at 7.65% due 2022.

The June 1991 $152 million General Obligation bond issue represents $152 million of bonds maturing serially through 2011 at interest rates ranging from 5.8% to 6.9%.

B. Notes Payable - Notes payable at June 30, 1991 are shown below (expressed in thousands).

	Notes
Capital Projects Fund:	
General Obligation Bond Anticipation Notes, 4.15% due May 1996.	$ 7,979
Enterprise Funds:	
Tennessee Local Development Authority revenue bond anticipation notes, $21.5 million at 4.25% due July 1991 and $30 million at 4.75% due May 1992	51,593
Internal Service Funds:	
General Obligation Bond Anticipation Notes, 4.15% due May 1996.	7,721
College and University Funds:	
Capital outlay notes, 63% of the prime rate, maximum 11%, due serially to 1992	2,078
Tennessee State School Bond Authority bond anticipation notes, variable daily demand rate, due 1993	56,440
Total College and University Funds	58,518
Total Notes Payable	$ 125,811

The full faith and credit of the state, together with certain tax revenues, are pledged to secure all general obligation notes listed above. The revenue notes listed above are not obligations of the state. They are secured by pledge of resources from the facilities to which they relate and by certain other revenues, fees and assets of the Tennessee Local Development Authority (TLDA) and the various colleges and universities.

TSSBA notes payable of $56.440 million consist of monies drawn from a changeable annual multiple put security agreement (CHAMPS) with Chemical Bank of New York to fund projects under construction. Under the CHAMPS agreement, the notes may bear interest at a variable rate (daily, weekly, or multiannual) or at a continuously adjustable rate determined by the remarketing agent, Chemical Bank, for periods selected by the authority. Currently, interest is payable monthly at the institution's prime daily lending rate. The notes are subject to purchase by the remarketing agent on the demand of the holder on any business day pursuant to the conditions set forth in the Official Statement. The remarketing agent is authorized to use its best efforts to sell the repurchased notes. If it is unable to resell any notes that are "put", Fuji Bank, Limited, New York Branch, under the standby note purchase agreement, is required to buy the notes. Fuji Bank, subject to its right to resell the notes, may hold the notes until March 1, 1993 (the note maturity date). It is expected that a portion of these notes will be replaced with bonds at the end of the construction period. The authority is obligated to pay Fuji Bank .1% of the utilized commitment and .05% of the unutilized commitment on a quarterly basis to maintain the standby liquidity.

C. Debt Service Requirements to Maturity - It is the State's intention to retire substantially all notes payable at June 30, 1991 within one year. Debt Service requirements to maturity for all general obligation and revenue bonds payable at June 30, 1991 are as follows (expressed in thousands):

For the Year(s) Ended June 30	General Obligation Bonds Principal	General Obligation Bonds Interest	Revenue Bonds Principal	Revenue Bonds Interest	Total Requirements
1992	64,572	41,964	51,658	132,154	290,348
1993	58,476	34,543	59,418	136,244	288,681
1994	58,641	31,157	57,062	132,046	278,906
1995	55,826	27,847	58,454	128,723	270,850
1996-2000	187,180	98,903	333,504	604,976	1,224,563
2001-2005	140,545	47,986	349,764	476,187	1,014,482
2006-2010	61,982	11,412	357,316	357,909	788,619
2011-2015	5,000	342	322,292	234,168	561,802
2016-2020			324,554	103,864	428,418
2021-2025			99,092	10,993	110,085
	$632,222	$294,154	$2,013,114	$2,317,264	$5,256,754

The above principal for revenue bonds is less than that presented on the accompanying financial statements by $36,692. This presents accretion to date of interest on deep discount bonds and the write-off of discounts in those years preceding the first principal payment on these bonds.

D. Defeased and Advance Refunded Debt - In prior years, the TLDA defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust with the State Treasurer to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are included in the state's financial statements in an agency fund, but are not recorded as assets or liabilities of TLDA. On June 30, 1991, $36.666 million of bonds outstanding are considered defeased.

Debt Refunding. Proceeds of the $70.686 million TSSBA 1987 refunding bond issue were placed in irrevocable trust for the redemption of the outstanding bonds of the 1983 Series A issue maturing after May 1, 1992. This issue represents an advance refunding investment through May 1, 1992, during which time both issues will be reported in the state's financial statements. In the crossover year, the proceeds from this investment will be used to retire all the outstanding 1983 Series A bonds. The refunding was to take advantage of lower interest rates in effect at the time of the transaction. The cumulative savings to the authority and to the educational institutions resulting from the refunding were $22.186 million for the refunding of $65.975 million of the 1983 Series A Bonds maturing after May 1, 1992. (The net present value savings of the refunding was $8.827 million.) During the period prior to defeasance, the educational institutions will continue to provide funds necessary to meet the debt service requirements of the refunded issue. Interest earnings from the investment will be used to satisfy the debt requirement of the refunding issue during this period. Earnings in excess of such requirement will be deposited in a special reserve account and will be applied to meet applicable call premiums. Proceeds of the $70.686 million 1987 refunding bond issue were invested in United States Treasury Notes - State and Local Government Series maturing May 1, 1992.

In June, 1991 the State issued general obligation refunding bonds in the amount of $52.325 million to provide for the advance refunding of the State's General Purpose Bonds dated November 1, 1982 maturing on and after May 1, 1993. The refunding was to take advantage of lower interest rates in effect at the time of the transaction. The cumulative savings to the state was $4.208 million (a net present value of $3.898 million). The refunded bonds were defeased by placing the proceeds of the new bonds in an irrevocable trust with the State Treasurer to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are included in the state's financial statements in an agency fund, but are not recorded in the general long term debt account group. On June 30, 1991, $50 million of bonds outstanding are considered defeased.

E. Changes in General Long-Term Obligations - A summary of changes in general long-term obligations for the year ended June 30, 1991 follows (expressed in thousands).

	Balance, July 1, 1990	General Obligation Bonds Issued	General Obligation Bonds Retired	General Obligation Bonds Defeased	Other Changes in General Long-Term Obligations	Balance, June 30, 1991
General Obligation Debt Payable	$ 536,569	$ 152,325	$ (61,017)	$ (50,000)		$ 577,877
Arbitrage Rebate Payable	4,891				$ 867	5,758
Claims Payable					38,500	38,500
Accrued Annual and Compensatory Leave	105,299				4,744	110,043
Capital Lease Obligations	9				(9)	
Total General Long-Term Obligations	$ 646,768	$ 152,325	$ (61,017)	$ (50,000)	$ 44,102	$ 732,178

Under the Internal Revenue Service Code issuers of state and local government bonds are required to rebate to the federal government arbitrage profits earned on those bonds in certain circumstances. The February 1987 general obligation bond issue is subject to this rebate requirement. The first payment date for these monies will be April 1992; therefore, this payable is not considered to be a fund liability payable out of current financial resources, and has been reported in the General Long Term Obligation Account Group. As of June 30, 1991, the rebate due to be paid is $5.8 million.

The $38.5 million above for Claims Payable represents the long-term obligation for Underground Storage Tanks, a Special Revenue Fund.

F. Capital Lease Obligations - Capital lease obligations for facilities and equipment are payable from resources of the College and University Funds, with the exception of $60 thousand payable from General Services Printing, an Internal Service Fund. Debt service requirements to maturity for all capital lease obligations payable at June 30, 1991 are as follows (expressed in thousands):

For the Year(s) Ended June 30	Lease Obligations Payable
1992	$ 906
1993	374
1994	227
1995	225
1996	197
1997	22
Total Minimum Lease Payments	1,951
Less - Interest (4.2% to 12%) and Executory Costs	197
Present Value of Future Minimum Lease Payments	$ 1,754

G. General Obligation Bonds Authorized and Unissued - A summary of general obligations bonds authorized and unissued at June 30, 1991 is shown below (expressed in thousands). It is anticipated that a significant amount of these bonds will not be issued but will be canceled because of sufficient fund balances. This schedule does not include the refunding bond issue sold for $52 million as it was previously authorized and issued.

Purpose	Unissued July 1, 1990	Authorized	Sold	Canceled	Unissued June 30, 1991
Sewage Treatment	$ 20,680				$ 20,680
Waterworks	31,520				31,520
Highway	442,900	$ 225,000		$ 8,200	659,700
Education	138,059		$ 34,318		103,741
Correction	109,328		50,877		58,451
Youth Development	18,967		9,150		9,817
General Services	15,000				15,000
General Government	58,542	17,500	1,300		74,742
Other	23,904	1,000	4,355		20,549
Totals	$ 858,900	$ 243,500	$ 100,000	$ 8,200	$ 994,200

H. Extraordinary Items - Losses on early retirement of bonds are as follows:

THDA bonds payable were retired at par before maturity in the year ended June 30, 1991 in the Single Family Program Bonds in the amount of $17.274 million and in the Homeownership Program Bonds in the amount of $15.155 million. The carrying values of those bonds were $17.030 million and $14.941 million, respectively. This resulted in losses to the respective bond groups of $244 thousand and $214 thousand.

Under the bond resolutions, the Agency has the option to redeem bonds at an initial price of 103 percent and subsequently at prices declining to par. Generally, the redemption option cannot be exercised prior to the time the bonds have been outstanding for ten years. Certain special redemption options, as governed by the bond resolutions, are permitted prior to that time. The bonds are secured, as described in the applicable bond resolutions, by the revenues, monies, investments, mortgage loans, and other assets in the funds and accounts established by the resolutions.

NOTE 4 - INSURANCE RELATED ACTIVITIES

A. Teacher Group Insurance - The Teacher Group Insurance Fund, a public entity risk pool, was established in January 1986 to provide a program of health insurance coverage for the teachers of the political subdivisions of the state. In accordance with Tennessee Code Annotated 8-27-302 all local education agencies are eligible to participate. Fund members at June 30, 1991, included 98 local education agencies, with 22,369 teachers and support personnel insured. The state does not retain any risk for losses by this fund.

The Teacher Group Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Teachers and providers have 13 months to file medical claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using actuarial and statistical techniques to produce current estimates, which are 18% of the prior 12 months claims. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made.

As discussed above, the Teacher Group Insurance Fund establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities during the past two years (expressed in thousands):

	1991	1990
Unpaid Claims at Beginning of Year	$ 6,761	$ 4,845
Incurred Claims, Provision for Insured Events of the Current Year	45,439	39,106
Total Incurred Claims Expenses	52,200	43,951
Payments	44,163	37,190
Total Unpaid Claims at End of the Year	$ 8,037	$ 6,761

B. Comprehensive Health Insurance - The Tennessee Comprehensive Health Insurance Fund, an entity providing insurance coverage to others, was established in July 1986 to provide a program of health insurance coverage for the individuals who do not have insurance coverage in the state. In accordance with Tennessee Code Annotated 56-39-104 all individuals who have been a resident of Tennessee one year and are not eligible for other health insurance coverage are eligible to participate. Fund members at June 30, 1991, included 3,969 individuals insured. The state does not retain any risk for losses in the Tennessee Comprehensive Health Insurance Fund. Fund deficits are covered by assessing the health insurance companies doing business in the state.

The Tennessee Comprehensive Health Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Individuals and providers have 13 months to file medical claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed quarterly using an actuary to produce current estimates. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made.

As discussed above, the Tennessee Comprehensive Health Insurance Fund establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities during the past two years (expressed in thousands):

	1991	1990
Unpaid Claims at Beginning of Year	$ 6,000	$ 3,295
Incurred Claims, Provision for Insured Events of the Current Year	16,557	17,993
Total Incurred Claims Expenses	22,557	21,288
Payments	17,404	15,288
Total Unpaid Claims at End of the Year	$ 5,153	$ 6,000

C. Risk Management - It is the policy of the State not to purchase commercial insurance for the risks of losses for general liability, automobile liability, professional malpractice and workers' compensation. The State management believes it is more economical to manage its risks internally and set aside assets for claim settlement in its internal service fund, the Claims Award Fund (CAF). CAF services claims for risk of loss to which the State is exposed, including general liability, automobile liability, professional malpractice, and workers' compensation. All agencies and authorities of the State, except the Community Health Agencies, participate in CAF. CAF allocates the cost of providing claims servicing and claims payment by charging a premium to each agency based on a percentage of each organization's expected loss costs which include both experience and exposures. This charge considers recent trends in actual claims experience of the State as a whole. An actuarial valuation is performed as of each fiscal year end to determine the fund liability and premium allocation.

CAF liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process does not result in an exact amount. Claims liabilities are reevaluated annually to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. At June 30, 1991 the amount of these liabilities was $45.683 million. Changes in the balances of claims liabilities during fiscal 1990 and 1991 were as follows (expressed in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
1989-90	$53,835	($ 3,473)	($ 9,055)	$41,307
1990-91	$41,307	$14,667	($10,291)	$45,683

At June 30, 1991, CAF held $58.86 million in cash and cash equivalents designated for payment of these claims.

The basic methodology used in the June 30, 1991 study for estimating ultimate losses was consistent with that of prior years. However, beginning with the June 30, 1990 valuation, less emphasis is placed on the State's tort liability case reserves (reported outstanding losses). Experience modifiers were selected based on paid losses rather than incurred losses. This resulted in a decrease in tort liability funding requirements for fiscal year 1990.

The state purchases commercial insurance for real property losses above $5 million per year and surety bond coverage on the state's officials and employees. In the past three fiscal years the state has not had any claims filed with the commercial insurer. A designation for casualty losses in the amount of $5 million has been established in the General Fund to provide for any property losses other than the commercial insurance coverage.

D. Employee Group Insurance - The Employee Group Insurance Fund, an entity other than a pool, was established in 1979 to provide a program of health insurance coverage for the employees of the state with the risk retained by the state, therefore it is accounted for as an Internal Service Fund. In accordance with Tennessee Code Annotated 8-27-201 all state employees, retirees, and former employees with work related injuries are eligible to participate. Fund members at June 30, 1991, included with 64,763 employees enrolled in the Basic Plan or Health Maintenance Organization.

The Employee Group Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Employees and providers have 13 months to file medical claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using actuarial and statistical techniques to produce current estimates, which are 18% of the prior 12 months claims. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made.

As discussed above, the Employee Group Insurance Fund establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities during the past two years (expressed in thousands):

	1991	1990
Unpaid Claims at Beginning of Year	$21,036	$18,426
Incurred Claims, Provision for Insured Events of the Current Year	149,727	117,999
Total Incurred Claims Expenses	170,763	136,425
Payments	145,300	115,389
Total Unpaid Claims at End of the Year	$25,463	$21,036

NOTE 5 - PENSION PLANS

A. Tennessee Consolidated Retirement System - The Tennessee Consolidated Retirement System (TCRS) is a defined benefit, agent multiple-employer public employee retirement system. Members of the system consist of teachers and general employees of the state, higher education employees and employees of participating political subdivisions. The State of Tennessee is responsible for the retirement benefits of state employees, higher education employees and teachers, while participating political subdivisions are responsible for the retirement benefits provided their employees.

Membership in the system is mandatory for state employees, teachers and employees of participating political subdivisions. At June 30, 1991 the number of participating local government employers and the TCRS membership was:

Cities	110	Retirees and beneficiaries currently receiving benefits	54,789
Counties	82	Terminated members entitled to benefits but not yet receiving them	4,439
Utility Districts	25		
Special School Districts	20	Current members:	
		Vested	73,146
Joint Ventures	18	Nonvested	85,235
Other	51	Total	217,609
Total	306		

The TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with 10 years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at age 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the system on or after July 1, 1979 become vested after 10 years of service, and members joining prior to July 1, 1979 were vested after 4 years of service. Benefit provisions are established and amended by state statute.

Effective July 1, 1981 the retirement system became noncontributory for most state and higher education employees. Political subdivisions may elect contributory or noncontributory retirement for their employees. The contribution rate is 5 percent of gross salary for teachers and contributory employees of political subdivisions. In addition, the employers contribute a set percentage of their payroll determined by an actuarial valuation. State statute provides that the contribution rates be adopted by the Board of Trustees of the TCRS.

The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the funding status of the TCRS on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and to make comparisons among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the system.

The pension benefit obligation was determined as part of an actuarial evaluation at June 30, 1991. Significant actuarial assumptions used include (a) a rate of return on investment of present and future assets of 8 percent per year compounded annually, (b) projected salary increases of 7 percent (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries) per year compounded annually, (c) a projected 6 percent annual increase in the Social Security wage base, and (d) projected post retirement benefit increases of 3 percent of the retiree's initial benefit.

At June 30, 1991 net assets exceeded the pension benefit obligation by $376.8 million as follows (in millions):

	State	Political Sub-Divisions	Total
Pension benefit obligation:			
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$2,869.4	$ 343.3	$3,212.7
Current employees:			
Accumulated employee contributions including allocated investment earnings	1,364.4	244.7	1,609.1
Employer-financed vested	3,056.6	298.9	3,355.5
Employer-financed nonvested	246.5	29.9	276.4
Total pension benefit obligation	$7,536.9	$ 916.8	$8,453.7
Net assets available for benefits at cost or amortized cost (market value is $9,499.3)	$7,794.6	1,035.9	8,830.5
Assets in excess of pension benefit obligation	$ (257.7)	$ (119.1)	$ (376.8)

It is the policy of the State to fund pension benefits by actuarially determined contributions which are intended to provide funding for both the normal liability cost and the unfunded actuarial accrued liability cost, so that sufficient assets will be available to pay benefits when due. The frozen initial liability method, a projected benefit cost method, is used to value the plan. The employer contributions include funding a cost-of-living provision and amortization of the accrued liability using the level dollar contribution method over a 40 year closed period which began in 1975. A 30 year amortization period is used for political subdivisions joining the system after June 30, 1983.

For the year ended June 30, 1991, contributions totaling $385.9 million were made in accordance with contribution requirements determined through an actuarial valuation performed at June 30, 1989. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the standardized measure of the pension obligation. The June 30, 1991 valuation computed the contribution rates that become effective July 1, 1992. Significant actuarial assumptions are the rate of return of 8 percent and projected salary increases of 7 percent. The state contributed $256.1 million (8.7 percent of current covered payroll) to the plan and state employees and teachers contributed $77.0 million (2.6 percent of current covered payroll). The covered payroll for employees by the TCRS for

whom the state is responsible for the year ended June 30, 1991 was $909.0 million for state employees, $518.7 million for higher education employees and $1,514.6 million for teachers. Total payroll for the state employees was $929.6 million, and $919.5 million for higher education employees. The state contributions consisted of (a) $187.4 million normal cost (6.4 percent of current covered payroll) and (b) $145.7 million amortization of the unfunded actuarial accrued liability (5.0 percent of current covered payroll). Political subdivisions contributed $29.2 million to the plan and employees of political subdivisions contributed $23.6 million. The covered payroll for political subdivisions was $706.3 million.

Trend information designed to give an indication of the progress made by the state in accumulating sufficient assets to pay benefits when due is presented below (expressed in millions):

Fiscal Year	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4) Unfunded Assets in Excess of P.B.O. Obligation (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded Assets in Excess of P.B.O. as a Percentage of Covered Payroll (4)/(5)
1989	6,248.8	6,351.9	98.4%	103.1	2,655.1	3.9%
1990	7,083.5	6,950.3	101.9%	(133.2)	2,827.5	4.7%
1991	7,794.6	7,536.9	103.4%	(257.7)	2,942.3	(8.8)%

In addition, for the three years ended 1989, 1990 and 1991, the state's contributions to the TCRS, all made in accordance with actuarially determined requirements, were 11.6, 11.5 and 8.7 percent respectively of annual covered payroll.

Ten year historical trend information for the retirement system as a whole is presented in the TCRS component unit annual financial report for the year ended June 30, 1991. Revenue and expense trend information for the total retirement system is provided in this report as required supplementary information.

B. Other than TCRS - Eligible faculty of the various state universities and community colleges may elect to become members of either TIAA-CREF, a privately-administered defined contribution retirement plan, or the TCRS. The state assumes no liability for this group of TIAA-CREF members other than payment of contributions. State statute requires the state supported institutions to make contributions to TIAA/CREF at the rate of ten percent of gross salary below the social security wage base and eleven percent of gross salary above the social security wage base. During the year ended June 30, 1991 the state contributed $33.5 million (10.04% of current covered payroll) to the TIAA-CREF plan. The total current year covered payroll was $333.5 million.

A second, now-closed group of University of Tennessee faculty also participates in TIAA-CREF with certain supplemental benefits provided by the state. Prior to 1978 these provided benefits were funded by the university on a pay-as-you-go basis; they since have been assumed by the TCRS and are included in the June 30, 1991 actuarial calculations disclosed in A. above.

C. Deferred Compensation - The state offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401 (k). All costs of administering and funding these programs are the responsibility of plan participants.

Section 457 plan balances have been reported in the accompanying financial statements in an Agency Fund at June 30, 1991. All amounts of compensation deferred under this plan, all property purchased with those amounts, and all income attributable thereto are, until paid or made available to the employee or other beneficiary, solely the property of the state, subject only to claims of the state's general creditors. Participants' rights under the plan are the same as those of general creditors in an amount equal to the fair market value of their deferred accounts. The state has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The state believes it is unlikely that it will use these assets to satisfy such claims in the future.

Since Section 401(k) plan assets remain the property of the contributing employees, they are not presented in the accompanying financial statements. An IRC Section 401 (k) plan is considered to be a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. IRS Section 401 (k) establishes participation, contribution and withdrawal provisions for the plan. During the year ended June 30, 1991, contributions totaling $5.6 million were made by employees participating in the plan. The current covered payroll for participating employees was $69.4 million while the total payroll for all state employees during the year was $929.6 million.

NOTE 6 - POST EMPLOYMENT HEALTH INSURANCE BENEFITS

A. General - The state offers an opportunity to its employees and eligible retirees to participate in a self-insured indemnity policy or health maintenance organizations. This post employment benefit is authorized under Tennessee Code Annotated 8-27-205. The indemnity policy provides benefits to plan participants in a comprehensive, major medical format involving a $200 calendar year deductible and a $1,000 per individual out-of-pocket limit. The plan incorporates typical provisions relating to utilization review, medical necessity, pre-existing conditions, coordination of benefits and subrogation of expenses. The plan offers benefit incentives for the use of designated providers and the plan maintains limitations on benefits provided for the treatment of mental illness and substance abuse.

B. Retirees - Retirees who are not yet eligible for Medicare benefits may continue participation in the Plan subject to certain length of service and participation requirements. Upon Medicare eligibility, the retiree is afforded the opportunity to participate in a fully-insured supplement policy not associated with the Plan. The state pays a service determined amount for retirees who participate in the state sponsored Medicare supplement policy.

The funds collected for the Plan's operation are recorded in the employee group insurance account. The plan's premiums are intended to fund benefits on a pay-as-you-go basis and no specified reserves have been established to fund retiree health benefits. Current retiree premium rates are approximately 50 percent of the plan's total premium rates; the state provides no direct funding of retiree health benefits.

During the 1990-91 fiscal year, the plan provided approximately $9.1 million in benefits to 3,185 retired employee participants.

C. Cobra - Federal law requires large employers to continue health insurance benefits to employees who have terminated employment for up to 18 months. The former employees must pay 102 percent of the total premium (employee plus employer share), funded on a pay as you go basis. Insurance coverage is not mandatory if the former employee is eligible for medicare or has coverage with another group medical plan. The state covered 221 former employees as of June 30, 1991. The expenditure amount for this post-employment benefit cannot be reasonably estimated.

NOTE 7 - DEPOSITS AND INVESTMENTS

A. Investment Policy - The Pooled Investment Fund administered by the State Treasurer is authorized by statute to invest funds in accordance with policy guidelines approved by the State Funding Board. The current resolution of that Board gives the Treasurer approval to invest in collateralized certificates of deposit in authorized state depositories, bonds, notes and bills of the United States Treasury or other obligations guaranteed as to principal and interest by the United States or any of its agencies and in repurchase agreements for obligations of the United States or its agencies which are fully guaranteed as to principal and interest by the United States; mutual funds which are limited to investments of the above permitted kinds; and in certain obligations of the state. Prime Commercial Paper and Prime Banker's Acceptances were added to the list of authorized instruments in 1989. This resolution states further that except for short term distortions created by unexpected system withdrawal and as otherwise provided in this section, maturities of the State Pooled Investment Fund shall not exceed one year. Provided however, an amount not to exceed the lesser of $300 million or twenty percent (20%) of the book value of the State Pooled Investment Fund at the time such investments are made, may be invested in maturities greater than one year but not greater than five years. The State Pooled Investment Fund is also authorized by policy to contractually loan securities to investment brokers. The

contract for a security loan provides that the State Investment Pool loan specific securities from its holdings to the broker in return for collateral securities. The loaned securities are collateralized at 102 percent of their market value. The collateral is maintained by a third-party custodian. The State Pooled Investment Fund receives a fee from the broker for the use of the loaned securities. Securities on loan are restricted to U. S. Treasury Bills and Notes by contract. At June 30, 1991 the market value including accrued interest, of State Pooled Investment Fund securities on loan to brokers was $751 million and the market value including accrued interest of collateral pledged for the securities on loan was $765 million.

Certificates of deposit are not placed or renewed with a financial institution until adequate collateral is pledged. Open accounts maintained for deposit of state revenues are collateralized on an estimate of the average daily balance in the account based on previous balances and monitored for variation to actual balances. The Treasurer is required, by statute, to evaluate the market value of required collateral monthly, and more frequently if market conditions require. Further, statutes provide the Commissioner of Financial Institutions to advise, on a timely basis, the Treasurer and the Commissioner of Finance and Administration of the condition of each state bank and state chartered savings and loan association, including his recommendations regarding its condition and safety as a state depository. Similar provisions apply to federally chartered banks and savings and loan associations designated as state depositories. This process ensures that institutions whose financial status is uncertain are monitored for collateral sufficiency.

The following funds also make investments following these same basic guidelines: colleges and universities, Tennessee State School Bond Authority, Tennessee Local Development Authority, and Tennessee Housing Development Agency. The Pension Fund, in addition to the guidelines outlined for the Pooled Investment Fund, may invest in long-term investments. The Pension Fund may invest in bonds, debentures, preferred stock and common stock, and other good and solvent securities subject to the Pension Board of Trustees approval. The Board has also authorized limited investments of securities in some foreign countries.

B. Deposits - The Governmental Accounting Standards Board (GASB) Statement 3 requires deposits with Financial Institutions to be categorized to indicate the level of risk assumed by the state as defined in GASB Statement 3. Category 1 consists of deposits that are insured or collateralized with securities held by the state or by its agent in the state's name. Category 2 consists of deposits collateralized with securities held by the pledging financial institution's trust department or agent in the state's name. Category 3 deposits are uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agency but not in the state's name.

At year end, the carrying amount of deposits in all funds except colleges and universities was $311.777 million and the bank balance, including accrued interest, was $318.447 million. Of the bank balance, $309.119 million was (category 1) covered by insurance or collateral (valued at market) held in the state's name by independent custodial banks or segregated in the Federal Reserve Bank in the state's name, $1.560 million was (category 2) held by an agent in the state's name, and $7.768 million was (category 3) uninsured and uncollateralized.

At year end, the carrying amount of deposits for colleges and universities was $32.033 million and the bank balance was $48.818 million. Of the bank balance, $45.545 million was (category 1) covered by insurance or collateral (valued at market) held in the school's name by independent custodial banks or segregated in the Federal Reserve Bank in the school's name, $108 thousand was (category 2) held by an agent in the school's name, and $3.165 million was uninsured and uncollateralized. The carrying value of deposits includes $4.99 million of long-term certificates of deposits. Cash on deposit with fiscal agent of some $30.662 million is shown as long-term investments.

C. Investments - The Governmental Accounting Standards Board Statement 3 also requires investments to be categorized to indicate the level of risk assumed by the state. Category 1 consists of investments that are insured or registered or for which the securities are held by the state or its agent in the state's name. Category 2 consists of uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent in the state's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent but not in the state's name. Investments are categorized below for all funds except the colleges and universities (Expressed in thousands):

PENSION TRUST, POOLED INVESTMENT, TENNESSEE HOUSING DEVELOPMENT AGENCY AND OTHER FUNDS

	Category			Carrying Amount	Market Value 6/30/91
	1	2	3		
Cash Equivalents and Short-Term Investments					
Commercial Paper	$ 774,797			$ 774,797	$ 774,797
Repurchase Agreements	569,266			569,266	569,266
Government Securities	878,154			878,154	885,271
Corporate Securities	37,839			37,839	32,926
Total Cash Equivalents and Short-Term Investments	2,260,056			2,260,056	2,262,260
Long-Term Investments					
Domestic Securities					
Government Securities	3,018,380	$ 18		3,018,398	3,129,732
Corporate Bonds	2,569,347			2,569,347	2,576,322
Corporate Stocks	2,278,468			2,278,468	2,857,386
Mortgages	1,394			1,394	1,327
Other	7,769			7,769	7,769
International Securities					
Government Bonds	222,767			222,767	202,862
Corporate Bonds	67,863			67,863	66,978
Corporate Stocks	272,208			272,208	275,432
American Depository Receipts	30,592			30,592	30,233
Currency Gain					6,243
Total Long-Term Investments	8,468,788	18		8,468,806	9,154,284
	$10,728,844	$ 18		10,728,862	11,416,544
Investments in Deferred Compensation				56,581	56,581
Unemployment Compensation Pool in Washington, D.C.				642,378	642,378
Mutual Funds				157	157
Total Investments and Cash Equivalents				$11,427,978	$12,115,660

The investments for the colleges and universities are categorized below (Expressed in thousands):

	Category			Carrying Amount	Market Value 6/30/91
	1	2	3		
Cash Equivalents					
Commercial Paper	$ 21,711			$ 21,711	$ 22,086
Repurchase Agreements	23,000	$ 1,000		24,000	24,000
Government Securities	11,190	1,019		12,209	12,609
Other	3,945			3,945	3,989
Total Cash Equivalents	59,846	2,019		61,865	62,684
Investments					
Domestic Securities					
Commercial Paper	16,812			16,812	16,848
Repurchase Agreements	8,000			8,000	8,000
Government Securities	136,856	30,687	$1,761	169,304	170,938
Corporate Bonds	27,015	184	1,908	29,107	29,405
Corporate Stocks	42,371	1,041	435	43,847	56,989
Mortgages	3,367	11		3,378	3,396
Real Estate	5,631			5,631	5,631
Other	426	568		994	996
International Securities					
Government Bonds	569			569	553
Corporate Bonds	908			908	898
Corporate Stocks	990			990	942
Total Investments	242,945	32,491	4,104	279,540	294,596
	$ 302,791	$34,510	$4,104	341,405	357,280
Limited Partnership-Venture Capital Funds				3,440	3,440
Real Estate Equity				3,433	3,433
International Equity				4,000	4,543
Mutual Funds				1,454	1,663
Total Investments and Cash Equivalents				$ 353,732	$ 370,359

NOTE 8 - COMMITMENTS AND CONTINGENCIES

A. Sick Leave - It is the state's policy to record the cost of sick leave when paid. Generally, since sick leave (earned one day per month with unlimited accumulation) is paid only when an employee dies or is absent due to illness, injury or related family death, there was no liability for sick leave at June 30, 1991. The estimated accumulated amount of unused sick leave at that date was $508 million.

B. Operating Leases - The state has entered into various operating leases for land, buildings and equipment. All leases contain termination clauses providing for cancellation after 30, 60 or 90 days' written notice to lessors. In addition, all leases contain appropriation clauses indicating that continuation of the lease is subject to funding by the legislature. It is expected that in the normal course of business most of these leases will be replaced by similar leases. The State's colleges and universities; and the Facilities Revolving Fund, an Internal Service Fund, have entered into various operating leases which have noncancelable lease terms. Below is a schedule of future minimum lease payments under these leases (expressed in thousands).

For the Year(s) Ended June 30	Noncancelable Operating Leases
1992	$ 2,698
1993	2,093
1994	2,984
1995	3,302
1996	2,592
later	3,401
Total Minimum Payments	$17,070

Expenditures for rent under leases for the years ended June 30, 1991 and 1990 amounted to $33.1 million and $32.3 million, respectively.

C. Highway Construction Projects - At June 30, 1991 the Department of Transportation had contractual commitments of approximately $303 million for construction of various highway projects. Funding of these future expenditures is expected to be provided from federal grants ($239 million) and general obligation bond proceeds ($64 million).

D. Litigation - In October 1990, the small school systems in the State filed suit challenging the constitutionality of the statutory method of funding elementary and secondary education. The lower court ruled that the funding formula was unconstitutional, but has not mandated a court ordered funding formula. The State is in the process of appealing this decision to a higher court. The State has also been involved in a case regarding inadequate prison facilities. Relief granted by the court enables the state to remedy these conditions over an extended period of time. The flexibility allowed by the court will permit the state to carry out the remedial plan without material adverse impact on the state's financial position. The state is also party to numerous other legal proceedings, many of which normally recur in governmental operations. In the opinions of the Attorney General and General Counsel for the University of Tennessee system, final settlement of these matters will have no material effect on the accompanying financial statements.

E. Federal Grants - The state has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

F. Loan Guarantees - The Tennessee Student Assistance Corporation (TSAC), a Nonexpendable Trust Fund entity, guarantees loans made to students. The U. S. Department of Education (USDE) reinsures the student loans up to 100% of their principal amounts. At June 30, 1991 TSAC was guarantor of $869 million in student loans, substantially all of which were reinsured by the USDE. The state has no obligation under these student loan guarantees in the event of default.

G. Performance Collateral - The State is custodian for other securities which collateralize contractor/vendor performance. These securities total some $118.7 million and are not reported elsewhere in the accompanying financial statements.

H. Nashville Correctional Facilities Revenue Bonds - In June 1991, revenue bonds were issued by the Metropolitan Government of Nashville in the amount of $24.44 million. These bonds are obligations of the Metropolitan Government of Nashville. The state is committed to pay Nashville for the housing of locally sentenced inmates, including debt service on the bonds.

I. Other - The state has custodial responsibility over some $98 million of U. S. Department of Agriculture food stamp coupons for which the state is liable in the event of loss.

NOTE 9 - SUBSEQUENT EVENTS

Subsequent to June 30, 1991, THDA remarketed Series T sales in August for $72.4 million; TLDA completed a $22.7 million bond sale in July, TSSBA issued notes in September for $1.7 million and in December for $1.2 million and General Obligation notes were issued in September for $68.6 million and in December for $43 million.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

The General Fund is maintained to account for all governmental financial resources and transactions not accounted for in another fund.

Budgetary Procedures and Control

In many respects Tennessee is similar to other states regarding the process leading to adoption of the annual budget. Utilizing zero-based budgeting concepts, the executive branch prepares a budget which is the result of a series of interdepartmental budget meetings and executive budget hearings. The executive budget is based on estimates of all available revenue sources.

The executive budget is presented to the legislature at the beginning of each annual session. The legislature conducts budget hearings through its Finance, Ways and Means committees. Each committee recommends a version of the Appropriation Act to its respective body for passage. Included in the Appropriation Act is the funding level for each department. After passage by each chamber, differences between the two versions, if any, are resolved in conference committee. The final version is passed by both houses and sent to the Governor for approval. Before signing the Appropriation Act, the Governor may veto or reduce any specific appropriation item. These adjustments are subject to being overridden by the legislature.

Once the final budget is passed and signed, it becomes the financial plan for the coming year's activities. A quarterly work program detailing anticipated revenues by source and expenditures by object is then developed for each organizational entity. The work program is entered into the state's centralized accounting system. The budgetary-accounting integration and the resulting periodic reports facilitate both management control and legislative overview of the state's financial operations. Any deviation from the funding levels as specified in the Appropriation Act must receive prior approval from both the appropriate executive decision-makers and the Finance, Ways and Means committees. Thus, there is a continuing interaction between the executive and legislative branches on budgetary matters.

Constitutional Spending Limitation

Tennessee was the first state to adopt a constitutional spending limitation. This was not a response to any spending or taxing excesses but was a public endorsement of the state's long standing record of sound fiscal management.

The March 1978 amendment to the Constitution limited the growth in spending by state government to the rate of growth exhibited by the state's economy. The legislature was directed to establish some measure of economic growth from which the permitted growth in spending could be calculated. Estimated growth in personal income was the measure so established.

The 1991-92 budget is the state's thirteenth budget to be prepared and enacted since passage of the spending limitation. The total budget is well within the statutory limit enacted to carry out the constitutional mandate. Although the effect of the constitutional spending limitation cannot be evaluated until it has been operative for a period of years, it is apparent that the long-term impact of the amendment on the continued operations and growth of state government could be substantial.

STATE OF TENNESSEE
COMPARATIVE BALANCE SHEETS
GENERAL FUND
JUNE 30, 1991 and 1990

(Expressed in Thousands)

ASSETS	JUNE 30, 1991	JUNE 30, 1990
CASH AND CASH EQUIVALENTS		$ 217,277
RECEIVABLES:		
DUE FROM OTHER GOVERNMENTS	$ 269,935	277,740
INTEREST	28,352	34,102
OTHER	394,636	300,206
INTERFUND RECEIVABLES (Note 2)	3,987	117
ADVANCES TO OTHER FUNDS	2,590	2,760
PREPAYMENTS	28	32
TOTAL ASSETS	$ 699,528	$ 832,234
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 91,710	$ 97,396
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	350,881	350,603
ACCRUED PAYROLL AND RELATED DEDUCTIONS	26,178	24,925
INTERFUND PAYABLES (Note 2)	72,787	7,042
DEFERRED REVENUE	73,910	73,048
DEPOSITS PAYABLE	350	172
TOTAL LIABILITIES	615,816	553,186
FUND BALANCE (Note 1 and 2):		
RESERVED FOR RELATED ASSETS	5,072	5,283
RESERVED FOR ENCUMBRANCES AND CONTRACTS	7,542	13,905
RESERVED FOR CONTINUING APPROPRIATIONS	56,569	83,635
RESERVED FOR OTHER SPECIFIC PURPOSES	2,119	3,291
UNRESERVED:		
DESIGNATED FOR REVENUE FLUCTUATIONS	7,200	100,000
DESIGNATED FOR OTHER SPECIFIC PURPOSES	5,132	72,853
UNDESIGNATED	78	81
TOTAL FUND BALANCE	83,712	279,048
TOTAL LIABILITIES AND FUND BALANCE	$ 699,528	$ 832,234

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 1991 AND 1990

(Expressed in Thousands)

	FOR THE YEAR ENDED JUNE 30, 1991	FOR THE YEAR ENDED JUNE 30, 1990
REVENUES:		
TAXES	$ 3,321,866	$ 3,209,872
LICENSES, FINES, FEES AND PERMITS	135,575	94,911
INTEREST ON INVESTMENTS	46,486	70,232
FEDERAL	2,130,706	1,850,536
DEPARTMENTAL SERVICES	389,650	363,524
OTHER	49,204	44,933
TOTAL REVENUES	6,073,487	5,634,008
EXPENDITURES:		
GENERAL GOVERNMENT	217,065	218,490
EDUCATION	1,686,601	1,625,180
HEALTH AND SOCIAL SERVICES	2,962,805	2,579,797
LAW, JUSTICE AND PUBLIC SAFETY	524,407	490,104
RECREATION AND RESOURCES DEVELOPMENT	151,189	153,957
REGULATION OF BUSINESS AND PROFESSIONS	29,348	25,600
TOTAL EXPENDITURES	5,571,415	5,093,128
EXCESS OF REVENUES OVER EXPENDITURES	502,072	540,880
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFERS FROM(TO):		
SPECIAL REVENUE FUNDS	(3,604)	(2,361)
DEBT SERVICE FUND	38,300	23,000
CAPITAL PROJECTS FUND	(29,215)	(33,339)
ENTERPRISE FUNDS	(3,082)	4,723
NONEXPENDABLE TRUST FUNDS	(13,712)	(24,641)
EXPENDABLE TRUST FUNDS	100	94
COLLEGE AND UNIVERSITY FUNDS	(691,192)	(690,099)
INTERNAL SERVICE FUNDS	17,221	6,292
TOTAL OTHER FINANCING USES	(685,184)	(716,331)
EXCESS OF REVENUE AND OTHER SOURCES (UNDER) EXPENDITURES AND OTHER USES	(183,112)	(175,451)
FUND BALANCE, JULY 1	279,048	441,372
EQUITY TRANSFERS FROM (TO):		
INTERNAL SERVICE FUNDS		16,411
ENTERPRISE FUNDS	(12,224)	(3,284)
FUND BALANCE, JUNE 30 (Note 2)	$ 83,712	$ 279,048

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMPARATIVE SCHEDULES OF REVENUES BY SOURCE
GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 1991 AND 1990

(Expressed in Thousands)

REVENUES BY SOURCE	FOR THE YEAR ENDED JUNE 30, 1991	JUNE 30, 1990
TAXES:		
SALES AND USE	$ 2,207,702	$ 2,200,462
GASOLINE	4,631	4,680
MOTOR VEHICLE REGISTRATION	15,663	14,773
INCOME	63,879	67,544
PRIVILEGE	50,290	55,215
GROSS RECEIPTS	109,674	110,236
BEER	8,780	8,584
ALCOHOLIC BEVERAGE	22,601	22,197
MIXED DRINK	12,013	11,816
FRANCHISE	193,837	178,578
EXCISE	251,602	251,699
INHERITANCE AND ESTATE	50,142	33,518
TOBACCO	78,272	79,573
COIN-OPERATED AMUSEMENT	69	664
BUSINESS	11,919	11,350
INSURANCE COMPANIES PREMIUM	190,128	125,454
RETALIATORY	3,654	3,500
WORKERS COMPENSATION PREMIUM	35,899	21,705
OTHER	11,111	8,324
TOTAL TAXES	3,321,866	3,209,872
LICENSES, FINES, FEES AND PERMITS:		
MOTOR VEHICLE TITLE REGISTRATION FEES	5,469	5,495
DRIVERS LICENSES	15,423	15,757
ARRESTS, FINES AND FEES	6,871	6,786
HOSPITAL SERVICES LICENSE FEES	69,546	41,983
REGULATORY BOARD FEES	20,094	10,543
OTHER	18,172	14,347
TOTAL LICENSES, FINES, FEES AND PERMITS	135,575	94,911
INTEREST ON INVESTMENTS	46,486	70,232
FEDERAL - EARNED BY STATE DEPARTMENTS	2,130,706	1,850,536
DEPARTMENTAL SERVICES:		
CHARGES TO THE PUBLIC	105,953	101,137
INTERDEPARTMENTAL CHARGES	225,521	209,291
CHARGES TO CITIES, COUNTIES, ETC.	58,176	53,096
TOTAL DEPARTMENTAL SERVICES	389,650	363,524
OTHER	49,204	44,933
TOTAL REVENUES BY SOURCE	$ 6,073,487	$ 5,634,008

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMPARATIVE SCHEDULES OF EXPENDITURES BY FUNCTION AND DEPARTMENT
GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 1991 AND 1990

(Expressed in Thousands)

EXPENDITURES BY FUNCTION AND DEPARTMENT	FOR THE YEAR ENDED JUNE 30, 1991	JUNE 30, 1990
GENERAL GOVERNMENT:		
LEGISLATIVE	$ 16,470	$ 15,452
SECRETARY OF STATE	18,018	18,758
COMPTROLLER	32,570	32,054
TREASURER	8,747	10,312
GOVERNOR	9,888	7,370
COMMISSIONS	47,177	46,464
FINANCE AND ADMINISTRATION	18,407	12,940
PERSONNEL	5,767	5,468
GENERAL SERVICES	13,879	15,519
REVENUE	34,944	43,276
MISCELLANEOUS APPROPRIATIONS	11,198	10,877
TOTAL GENERAL GOVERNMENT	217,065	218,490
EDUCATION	1,686,601	1,625,180
HEALTH AND SOCIAL SERVICES:		
VETERANS AFFAIRS	1,758	1,509
EMPLOYMENT SECURITY	46,922	45,344
LABOR	70,956	75,222
MENTAL HEALTH AND MENTAL RETARDATION	311,381	299,413
HEALTH AND ENVIRONMENT	1,926,617	1,630,299
HUMAN SERVICES	605,171	528,010
TOTAL HEALTH AND SOCIAL SERVICES	2,962,805	2,579,797
LAW, JUSTICE AND PUBLIC SAFETY:		
JUDICIAL	79,404	72,209
CORRECTION	276,964	276,678
YOUTH DEVELOPMENT	57,468	45,637
MILITARY	22,169	18,589
BUREAU OF CRIMINAL INVESTIGATION	12,724	12,478
SAFETY	75,678	64,513
TOTAL LAW, JUSTICE AND PUBLIC SAFETY	524,407	490,104
RECREATION AND RESOURCE DEVELOPMENT:		
AGRICULTURE	17,516	15,593
TOURIST DEVELOPMENT	10,723	10,697
CONSERVATION	69,635	69,767
ECONOMIC AND COMMUNITY DEVELOPMENT	53,315	57,900
TOTAL RECREATION AND RESOURCE DEVELOPMENT	151,189	153,957
REGULATION OF BUSINESS AND PROFESSIONS:		
COMMERCE AND INSURANCE	24,055	20,458
FINANCIAL INSTITUTIONS	5,293	5,142
TOTAL REGULATION OF BUSINESS AND PROFESSIONS	29,348	25,600
TOTAL EXPENDITURES BY FUNCTION AND DEPARTMENT	$ 5,571,415	$ 5,093,128

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMPARATIVE SCHEDULES OF EXPENDITURES BY OBJECT
GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 1991 AND 1990

(Expressed in Thousands)

EXPENDITURES BY OBJECT	FOR THE YEAR ENDED JUNE 30, 1991	JUNE 30, 1990
PERSONAL SERVICES	$ 786,045	$ 743,720
EMPLOYEE BENEFITS	172,242	181,523
TRAVEL	31,572	32,540
PRINTING, DUPLICATING AND FILM PROCESSING	13,556	14,563
UTILITIES AND FUEL	27,364	29,794
COMMUNICATION AND SHIPPING COST	30,912	28,460
MAINTENANCE, REPAIRS AND SERVICES	17,950	18,960
PROFESSIONAL AND ADMINISTRATIVE SERVICES	322,394	273,519
SUPPLIES	194,649	178,585
RENTALS AND INSURANCE	66,560	54,755
MOTOR VEHICLE OPERATION	4,972	5,082
AWARDS AND INDEMNITIES	9,003	8,607
GRANTS AND SUBSIDIES	3,867,099	3,490,755
ITEMS FOR RESALE, REISSUE OR MANUFACTURE	14,452	13,373
EQUIPMENT	11,316	17,788
BUILDINGS	1,141	422
IMPROVEMENTS OTHER THAN BUILDINGS	188	682
TOTAL EXPENDITURES BY OBJECT	$ 5,571,415	$ 5,093,128

See accompanying Notes to the Financial Statements

SPECIAL REVENUE FUNDS

Specific revenues, earmarked to finance particular activities of government, are accounted for in the Special Revenue Funds. A brief description of each fund follows.

Highway Fund - This fund is maintained to account for revenues and expenditures associated with programs of the Department of Transportation. Funding of these programs is accomplished primarily from dedicated highway user taxes and funds received from the various federal transportation agencies. All federal funds accruing to the Highway Fund are received on a reimbursement basis covering costs incurred. It is the state's practice to appropriate matching dollars for jointly funded projects in the year of federal apportionment. This front-end state funding, together with multi-year disbursements on most projects, results in large cash balances in this fund. Effective July 1, 1986 the Department of Transportation began earning interest on certain unspent monies for a new highway construction program, while the General Fund earns the interest on the other highway program monies.

Wildlife Resources Agency - This agency is responsible for the preservation, management, enhancement and protection of the state's wildlife resources and their environs. An additional responsibility is the enforcement of boating safety on state lakes and streams. Revenues are derived principally from hunting and fishing licenses, fees and permits.

Public Service Commission - The commission is responsible for executing and enforcing all statutes governing railroads, utilities and motor carriers. They also assess these groups for ad valorem taxes. Revenues are derived principally from filing and inspection fees.

Criminal Injuries Compensation - The Claims Commission administers this fund for the award of compensation to victims (or their dependents) who suffer personal injury or death as a result of a criminal act. The primary revenue source is the privilege tax levied by the courts at the time of conviction of the offender.

Abandoned Land Program - This program is administered by the Department of Health and Environment. Revenues collected from surface mining permit fees and forfeited performance bonds are used to reclaim and restore lands affected by abandoned mining operations.

Driver Education - This program is designed and coordinated by the Departments of Education and Safety. Highway safety is promoted by providing driver education, instruction and training in schools, colleges and community organizations. The $2 fee for moving traffic violations is the source of funding for this program.

Hazardous Waste - This program is administered by the Department of Health and Environment. Revenues collected from applicants and holders of storage, treatment or disposal permits of hazardous waste are used to supervise the construction, operation, maintenance, closure and, where necessary, the post-closure care of hazardous waste facilities.

Regulatory Boards - This program is administered by the Department of Commerce and Insurance. Revenues are collected from fees assessed on licenses to real estate brokers, affiliate real estate brokers, home improvement contractors or auctioneers. These revenues are used to pay court judgments for violations by brokers, contractors or auctioneers of the applicable acts or of any rules promulgated by the appropriate officials.

Drunk Drivers Victim Compensation - The Claims Commission administers this fund for the award of compensation to victims (or their dependents) who suffer personal injury or death as a result of operator's intoxication. The primary revenue source is the privilege tax levied by the courts at the time of conviction of the offender.

Underground Storage Tanks - This program is administered by the Department of Health and Environment. Revenues are collected primarily from a tax of four cents per gallon on petroleum products and an annual fee on owners and operators of underground storage tanks containing petroleum substances.

Grain Indemnity - This program is administered by the Department of Agriculture. Revenues are collected from assessments on grain sold by producers. These revenues are to be used to protect commodity producers in the event of the financial failure of a commodity dealer or warehouseman.

Community Health Agencies - In 1989, the Legislature created twelve Community Health Agencies which are to provide a mechanism to coordinate health care for indigents. The State has significant oversight responsibilities for these agencies, therefore, they have been incorporated into the Comprehensive Annual Financial Report. The twelve Community Health Agencies are:

First Tennessee Community Health Agency
East Tennessee Community Health Agency
Upper Cumberland Community Health Agency
Southeast Regional Community Health Agency
Mid-Cumberland Community Health Agency
South Central Community Health Agency
Northwest Community Health Agency
Southwest Community Health Agency
Davidson County Community Health Agency
Knox County Community Health Agency
Shelby County Community Health Agency
Hamilton County Community Health Agency

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed in Thousands)

ASSETS	HIGHWAY	WILDLIFE RESOURCES AGENCY	PUBLIC SERVICE COMMISSION	CRIMINAL INJURIES COMPENSATION	ABANDONED LAND PROGRAM	DRIVER EDUCATION
CASH AND CASH EQUIVALENTS	$ 308,576	$ 26,011	$ 3,560	$ 9,628	$ 1,084	$ 1,034
RECEIVABLES	88,441	2,007	96	387		178
INTERFUND RECEIVABLES (Note 2)	52					
INVENTORIES, at cost	8,110					
TOTAL ASSETS	$ 405,179	$ 28,018	$ 3,656	$ 10,015	$ 1,084	$ 1,212
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
WARRANTS PAYABLE	$ 21,187	$ 460	$ 254	$ 1,147	$ 4	$ 62
ACCOUNTS PAYABLE AND ACCRUALS	59,540	1,688	167	4,863		58
INTERFUND PAYABLES (Note 2)	909	117				1
ADVANCE FROM OTHER FUNDS		2,400				
DEFERRED REVENUE	3,504					
DEPOSITS PAYABLE	740		1			
TOTAL LIABILITIES	85,880	4,665	422	6,010	4	121
FUND BALANCES (Note 2):						
RESERVED FOR RELATED ASSETS	8,110					
RESERVED FOR ENCUMBRANCES AND CONTRACTS	236,285	1,070	55		118	15
RESERVED FOR OTHER SPECIFIC PURPOSES	70,808	22,283	3,179	4,005	962	1,076
UNRESERVED:						
DESIGNATED FOR HIGHWAY CONSTRUCTION	4,096					
TOTAL FUND BALANCES	319,299	23,353	3,234	4,005	1,080	1,091
TOTAL LIABILITIES AND FUND BALANCES	$ 405,179	$ 28,018	$ 3,656	$ 10,015	$ 1,084	$ 1,212

See accompanying Notes to the Financial Statements

HAZARDOUS WASTE	REGULATORY BOARDS	DRUNK DRIVERS VICTIM COMPENSATION	UNDERGROUND STORAGE TANKS	GRAIN INDEMNITY	COMMUNITY HEALTH AGENCIES	TOTALS JUNE 30 ,1991	TOTALS JUNE 30, 1990
$ 5,698	$ 2,058	$ 10,424	$ 23,436	$ 49	$ 7	$ 391,565	$ 424,709
373		199	1,461		6	93,148	84,517
					1,325	1,377	338
						8,110	7,177
$ 6,071	$ 2,058	$ 10,623	$ 24,897	$ 49	$ 1,338	$ 494,200	$ 516,741
$ 58		$ 22	$ 122	$ 28		$ 23,344	$ 31,131
661	$ 5	174	8,308	2	$ 882	76,348	63,303
11			13		318	1,369	1,179
						2,400	2,560
						3,504	6,141
						741	739
730	5	196	8,443	30	1,200	107,706	105,053
						8,110	7,177
17			19			237,579	262,780
5,324	2,053	10,427	16,435	19	138	136,709	129,746
						4,096	11,985
5,341	2,053	10,427	16,454	19	138	386,494	411,688
$ 6,071	$ 2,058	$ 10,623	$ 24,897	$ 49	$ 1,338	$ 494,200	$ 516,741

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	HIGHWAY	WILDLIFE RESOURCES AGENCY	PUBLIC SERVICE COMMISSION	CRIMINAL INJURIES COMPENSATION	ABANDONED LAND PROGRAM	DRIVER EDUCATION
REVENUES:						
TAXES	$ 522,463	$ 4,069		$ 4,458		$ 1,887
LICENSES, FINES, FEES AND PERMITS	5,860	20,922	$ 6,859	1,585	$ 106	181
INTEREST ON INVESTMENTS		1,553		727		
FEDERAL	260,780	6,465	1,668	638		
DEPARTMENTAL SERVICES	16,995	417	3,377			26
OTHER	3,983					
TOTAL REVENUES	810,081	33,426	11,904	7,408	106	2,094
EXPENDITURES:						
GENERAL GOVERNMENT			13,101	12,468		
EDUCATION						1,774
HEALTH AND SOCIAL SERVICES					168	
LAW, JUSTICE AND PUBLIC SAFETY						345
RECREATION AND RESOURCES DEVELOPMENT		29,524				
REGULATION OF BUSINESS AND PROFESSIONS						
TRANSPORTATION	852,939					
TOTAL EXPENDITURES	852,939	29,524	13,101	12,468	168	2,119
EXCESS OF REVENUES OVER(UNDER) EXPENDITURES	(42,858)	3,902	(1,197)	(5,060)	(62)	(25)
OTHER FINANCING SOURCES(USES):						
OPERATING TRANSFER FROM (TO) GENERAL FUND	(1,091)	566				
OPERATING TRANSFER FROM DEBT SERVICE FUND	8,200					
OPERATING TRANSFER (TO) CAPITAL PROJECTS FUND						
OPERATING TRANSFER FROM INTERNAL SERVICE FUND		275				
TOTAL OTHER FINANCING SOURCES (USES)	7,109	841				
EXCESS OF REVENUES AND OTHER SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(35,749)	4,743	(1,197)	(5,060)	(62)	(25)
CUMULATIVE EFFECT ON PRIOR YEARS (JUNE 30, 1990) OF CHANGING TO A DIFFERENT BASIS OF ACCOUNTING FOR LICENSES			1,590			
EXCESS OF REVENUE AND OTHER SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES AFTER CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(35,749)	4,743	393	(5,060)	(62)	(25)
FUND BALANCES, JULY 1(Note 2)	355,048	18,610	2,841	9,065	1,142	1,116
FUND BALANCES, JUNE 30 (Note 2)	$ 319,299	$ 23,353	$ 3,234	$ 4,005	$ 1,080	$ 1,091

See accompanying Notes to the Financial Statements

HAZARDOUS WASTE	REGULATORY BOARDS	DRUNK DRIVERS VICTIM COMPENSATION	UNDERGROUND STORAGE TANKS	GRAIN INDEMNITY	COMMUNITY HEALTH AGENCIES	TOTALS FOR THE YEAR ENDED JUNE 30, 1991	JUNE 30, 1990
		$ 2,303	$ 13,617			$ 548,797	$ 539,789
	$ 134		4,194	$ 298		40,139	35,633
$ 401	135	720	980	8	$ 39	4,563	3,836
1,011			1,431			271,993	300,889
2,072			11			22,898	23,654
					22	4,005	2,460
3,484	269	3,023	20,233	306	61	892,395	906,261
		377				25,946	21,543
						1,774	1,723
2,807			11,659		5,771	20,405	6,765
						345	403
				287		29,811	30,018
	38					38	67
						852,939	824,578
2,807	38	377	11,659	287	5,771	931,258	885,097
677	231	2,646	8,574	19	(5,710)	(38,863)	21,164
		(1,615)			5,744	3,604	2,361
						8,200	8,200
							(70)
						275	
		(1,615)			5,744	12,079	10,491
677	231	1,031	8,574	19	34	(26,784)	31,655
						1,590	
677	231	1,031	8,574	19	34	(25,194)	31,655
4,664	1,822	9,396	7,880		104	411,688	380,033
$ 5,341	$ 2,053	$ 10,427	$ 16,454	$ 19	$ 138	$ 386,494	$ 411,688

STATE OF TENNESSEE
COMBINING BALANCE SHEET
COMMUNITY HEALTH AGENCIES
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed In Thousands)

	FIRST TENNESSEE	EAST TENNESSEE	UPPER CUMBERLAND	SOUTHEAST REGIONAL	MID-CUMBERLAND
ASSETS					
CASH AND CASH EQUIVALENTS	$ 1	$ 1	$ 2	$ 1	$ 2
ACCOUNTS RECEIVABLE			5	1	
INTERFUND RECEIVABLES	242	100	121	77	57
TOTAL ASSETS	$ 243	$ 101	$ 128	$ 79	$ 59
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	$ 93	$ 22	$ 63	$ 53	$ 46
INTERFUND PAYABLES	42	75	55	23	10
TOTAL LIABILITIES	135	97	118	76	56
FUND BALANCE(Note 2):					
RESERVED FOR OTHER SPECIFIC PURPOSES	108	4	10	3	3
TOTAL FUND BALANCE	108	4	10	3	3
TOTAL LIABILITIES AND FUND BALANCE	$ 243	$ 101	$ 128	$ 79	$ 59

See accompanying Notes to the Financial Statements

SOUTH CENTRAL	NORTHWEST	SOUTHWEST	DAVIDSON COUNTY	KNOX COUNTY	SHELBY COUNTY	HAMILTON COUNTY	TOTALS 1991	TOTALS 1990
							$ 7	$ 14
							6	
$ 32	$ 58	$ 48	$ 41	$ 87	$ 321	$ 141	1,325	216
$ 32	$ 58	$ 48	$ 41	$ 87	$ 321	$ 141	$ 1,338	$ 230
$ 22	$ 18	$ 27		$ 86	$ 321	$ 131	$ 882	$ 101
8	38	18	$ 40			9	318	25
30	56	45	40	86	321	140	1,200	126
2	2	3	1	1		1	138	104
2	2	3	1	1		1	138	104
$ 32	$ 58	$ 48	$ 41	$ 87	$ 321	$ 141	$ 1,338	$ 230

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMMUNITY HEALTH AGENCIES
JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed In Thousands)

	FIRST TENNESSEE	EAST TENNESSEE	UPPER CUMBERLAND	SOUTHEAST REGIONAL	MID-CUMBERLAND
REVENUES:					
INTEREST ON INVESTMENTS	$ 13	$ 2	$ 9	$ 3	$ 2
OTHER	14	7	1		
TOTAL REVENUES	27	9	10	3	2
EXPENDITURES:					
HEALTH AND SOCIAL SERVICES	1,131	404	924	316	403
TOTAL EXPENDITURES	1,131	404	924	316	403
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,104)	(395)	(914)	(313)	(401)
OTHER FINANCING SOURCES:					
OPERATING TRANSFER FROM GENERAL FUND	1,108	399	924	316	404
TOTAL OTHER FINANCING SOURCES	1,108	399	924	316	404
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	4	4	10	3	3
FUND BALANCE, JULY 1 (Note 2)	104				
FUND BALANCE, JUNE 30	$ 108	$ 4	$ 10	$ 3	$ 3

See accompanying Notes to the Financial Statements

SOUTH CENTRAL	NORTHWEST	SOUTHWEST	DAVIDSON COUNTY	KNOX COUNTY	SHELBY COUNTY	HAMILTON COUNTY	TOTALS FOR THE YEAR ENDED 1991	1990
$ 2	$ 2	$ 3	$ 1	$ 1		$ 1	$ 39	$ 2
							22	2
2	2	3	1	1		1	61	4
372	278	372	252	618	$ 525	176	5,771	438
372	278	372	252	618	525	176	5,771	438
(370)	(276)	(369)	(251)	(617)	(525)	(175)	(5,710)	(434)
372	278	372	252	618	525	176	5,744	538
372	278	372	252	618	525	176	5,744	538
2	2	3	1	1		1	34	104
							104	
$ 2	$ 2	$ 3	$ 1	$ 1	$ -	$ 1	$ 138	$ 104

STATE OF TENNESSEE
COMPARATIVE BALANCE SHEETS
HIGHWAY FUND
JUNE 30, 1991 AND 1990

(Expressed in Thousands)

ASSETS	JUNE 30, 1991	JUNE 30, 1990
CASH AND CASH EQUIVALENTS	$ 308,576	$ 359,697
ACCOUNTS RECEIVABLE	84,811	43,914
DUE FROM OTHER GOVERNMENTS	3,630	37,534
INTERFUND RECEIVABLES (NOTE 2)	52	122
INVENTORIES, at cost	8,110	7,177
TOTAL ASSETS	$ 405,179	$ 448,444
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 21,187	$ 29,568
ACCOUNTS PAYABLE AND ACCRUALS:		
ACCOUNTS PAYABLE	52,117	48,880
CONTRACT RETAINAGE	3,612	4,866
ACCRUED PAYROLL AND RELATED DEDUCTIONS	3,811	3,766
INTERFUND PAYABLES (Note 2)	909	1,027
DEFERRED REVENUE	3,504	4,551
DEPOSITS PAYABLE	740	738
TOTAL LIABILITIES	85,880	93,396
FUND BALANCES(Note 2):		
RESERVED FOR RELATED ASSETS	8,110	7,177
RESERVED FOR ENCUMBRANCES AND CONTRACTS	236,285	261,922
RESERVED FOR OTHER SPECIFIC PURPOSES:		
INTERSTATE HIGHWAYS	3,011	5,360
URBAN HIGHWAYS	808	842
SECONDARY ROADS	8,768	8,282
APPALACHIA HIGHWAYS AND ACCESS ROUTES	998	1,239
RURAL ROADS	596	3,149
METROPOLITAN URBAN SYSTEMS	4,639	5,736
BRIDGE REPLACEMENT	20,186	17,163
HIGHWAY SAFETY CONSTRUCTION	5,071	8,104
OTHERS	26,731	24,089
UNRESERVED:		
DESIGNATED FOR HIGHWAY CONSTRUCTION	4,096	11,985
TOTAL FUND BALANCE	319,299	355,048
TOTAL LIABILITIES AND FUND BALANCE	$ 405,179	$ 448,444

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
HIGHWAY FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 1991 AND 1990

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1991	JUNE 30, 1990
REVENUES:		
TAXES	$ 522,463	$ 523,944
LICENSES AND PERMITS	5,860	5,700
FEDERAL	260,780	290,198
DEPARTMENTAL SERVICES	16,995	17,457
OTHER	3,983	2,458
TOTAL REVENUES	810,081	839,757
EXPENDITURES:		
INTERSTATE HIGHWAY CONSTRUCTION	95,691	143,435
APPALACHIA CONSTRUCTION	671	1,946
STATE SYSTEM CONSTRUCTION	329,687	248,895
OTHER CONSTRUCTION	141,556	147,761
MAINTENANCE AND MARKING	192,580	194,033
ADMINISTRATIVE AND OTHER	92,754	88,508
TOTAL EXPENDITURES	852,939	824,578
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(42,858)	15,179
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFER (TO) GENERAL FUND	(1,091)	(765)
OPERATING TRANSFER FROM DEBT SERVICE FUND	8,200	8,200
OPERATING TRANSFER (TO) CAPITAL PROJECTS FUND		(70)
TOTAL OTHER FINANCING SOURCES	7,109	7,365
EXCESS OF REVENUES AND OTHER SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	(35,749)	22,544
FUND BALANCE, JULY 1	355,048	332,504
FUND BALANCE, JUNE 30	$ 319,299	$ 355,048

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMPARATIVE SCHEDULES OF REVENUES BY SOURCE
HIGHWAY FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 1991 AND 1990

(Expressed in Thousands)

REVENUES BY SOURCE	FOR THE YEAR ENDED JUNE 30, 1991	FOR THE YEAR ENDED JUNE 30, 1990
TAXES:		
SALES	$ 16,211	$ 12,364
GASOLINE	281,820	284,426
MOTOR FUEL	71,537	68,471
PETROLEUM PRODUCTS	22,361	24,224
MOTOR VEHICLE REGISTRATION	127,136	130,744
GROSS RECEIPTS TAX	1,711	2,065
BEER TAX	1,687	1,650
TOTAL TAXES	522,463	523,944
LICENSES AND PERMITS	5,860	5,700
FEDERAL	260,780	290,198
DEPARTMENTAL SERVICES:		
CITIES AND COUNTIES	13,070	13,225
STATE AGENCIES	3,925	4,232
TOTAL DEPARTMENTAL SERVICES	16,995	17,457
OTHER	3,983	2,458
TOTAL REVENUES BY SOURCE	$ 810,081	$ 839,757

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMPARATIVE SCHEDULES OF EXPENDITURES BY OBJECT
HIGHWAY FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 1991 AND 1990

(Expressed in Thousands)

EXPENDITURES BY OBJECT	FOR THE YEAR ENDED JUNE 30, 1991	FOR THE YEAR ENDED JUNE 30, 1990
PERSONAL SERVICES	$ 106,384	$ 105,189
EMPLOYEE BENEFITS	25,097	27,276
TRAVEL	675	799
PRINTING, DUPLICATING AND FILM PROCESSING	677	630
UTILITIES AND FUEL	1,595	1,478
COMMUNICATION AND SHIPPING COST	1,439	1,360
MAINTENANCE, REPAIRS AND SERVICES	1,641	1,293
PROFESSIONAL AND ADMINISTRATIVE SERVICES	35,423	26,967
SUPPLIES	22,802	19,009
RENTALS AND INSURANCE	6,763	6,508
MOTOR VEHICLE OPERATION	3,195	3,098
AWARDS AND INDEMNITIES	277	455
GRANTS AND SUBSIDIES	28,537	29,253
ITEMS FOR RESALE, REISSUE OR MANUFACTURE	10,616	10,347
EQUIPMENT	12,853	12,244
LAND	69,036	70,889
BUILDINGS	1,086	8,196
HIGHWAY CONSTRUCTION	524,843	499,587
TOTAL EXPENDITURES BY OBJECT	$ 852,939	$ 824,578

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL(BUDGETARY BASIS)
ALL BUDGETED SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1991

(Expressed in Thousands)

	HIGHWAY FUND		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES(BUDGET BASIS), JULY 1	$ 19,162	$ 19,162	
ADD:			
PRIOR YEAR ENCUMBRANCES LIQUIDATED	120	120	
CONTRACT RESERVES REAPPROPRIATED	327,657	327,657	
CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE			
ADJUSTED FUND BALANCES(BUDGETARY BASIS), JULY 1	346,939	346,939	
REVENUES:			
TAXES	539,200	522,463	$ (16,737)
LICENSES, FINES, FEES AND PERMITS		5,860	5,860
INTEREST ON INVESTMENTS			
FEDERAL	887,543	260,780	(626,763)
DEPARTMENTAL SERVICES	41,737	16,995	(24,742)
OTHER		3,983	3,983
OTHER FINANCING SOURCES - TRANSFERS IN	8,200	8,200	
TOTAL SOURCES OF FINANCIAL RESOURCES	1,823,619	1,165,220	(658,399)
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
TREASURER			
PUBLIC SERVICE COMMISSION			
EDUCATION			
HEALTH AND ENVIRONMENT			
SAFETY			
AGRICULTURE			
WILDLIFE RESOURCES			
COMMERCE AND INSURANCE			
TRANSPORTATION	1,817,413	1,151,923	665,490
OTHER FINANCING USES - TRANSFERS OUT	1,091	1,091	
TOTAL USES OF FINANCIAL RESOURCES	1,818,504	1,153,014	665,490
FUND BALANCES(BUDGETARY BASIS), JUNE 30 (Note 2)	$ 5,115	$ 12,206	$ 7,091

See accompanying Notes to the Financial Statements

(continued on next page)

WILDLIFE RESOURCES AGENCY			PUBLIC SERVICE COMMISSION		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 17,936	$ 17,936		$ 2,806	$ 2,806	
20	20				
			1,590	1,590	
17,956	17,956		4,396	4,396	
400	4,069	$ 3,669			
24,600	20,922	(3,678)	6,835	6,859	$ 24
	1,553	1,553			
5,546	6,465	919	1,116	1,668	552
918	417	(501)	3,950	3,377	(573)
841	841				
50,261	52,223	1,962	16,297	16,300	3
			13,691	13,121	570
32,697	29,940	2,757			
32,697	29,940	2,757	13,691	13,121	570
$ 17,564	$ 22,283	$ 4,719	$ 2,606	$ 3,179	$ 573

STATE OF TENNESSEE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL(BUDGETARY BASIS)
ALL BUDGETED SPECIAL REVENUE FUND TYPES (continued)
FOR THE YEAR ENDED JUNE 30, 1991

(Expressed in Thousands)

	CRIMINAL INJURIES COMPENSATION		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES(BUDGET BASIS), JULY 1	$ 9,065	$ 9,065	
ADD:			
PRIOR YEAR ENCUMBRANCES LIQUIDATED			
CONTRACT RESERVES REAPPROPRIATED			
CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE			
ADJUSTED FUND BALANCES(BUDGETARY BASIS), JULY 1	9,065	9,065	
REVENUES:			
TAXES		4,458	$ 4,458
LICENSES, FINES, FEES AND PERMITS	7,100	1,585	(5,515)
INTEREST ON INVESTMENTS		727	727
FEDERAL	1,848	638	(1,210)
DEPARTMENTAL SERVICES			
OTHER			
OTHER FINANCING SOURCES - TRANSFERS IN			
TOTAL SOURCES OF FINANCIAL RESOURCES	18,013	16,473	(1,540)
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
TREASURER	13,679	12,468	1,211
PUBLIC SERVICE COMMISSION			
EDUCATION			
HEALTH AND ENVIRONMENT			
SAFETY			
AGRICULTURE			
WILDLIFE RESOURCES			
COMMERCE AND INSURANCE			
TRANSPORTATION			
OTHER FINANCING USES - TRANSFERS OUT			
TOTAL USES OF FINANCIAL RESOURCES	13,679	12,468	1,211
FUND BALANCES(BUDGETARY BASIS), JUNE 30 (Note 2)	$ 4,334	$ 4,005	$ (329)

See accompanying Notes to the Financial Statements

(continued on next page)

ABANDONED LAND PROGRAM			DRIVER EDUCATION		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 1,043	$ 1,043		$ 1,066	$ 1,066	
1,043	1,043		1,066	1,066	
				1,887	$ 1,887
500	106	$ (394)	2,205	181	(2,024)
			37	26	(11)
1,543	1,149	(394)	3,308	3,160	(148)
			1,800	1,774	26
500	187	313			
			518	310	208
500	187	313	2,318	2,084	234
$ 1,043	$ 962	$ (81)	$ 990	$ 1,076	$ 86

STATE OF TENNESSEE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL(BUDGETARY BASIS)
ALL BUDGETED SPECIAL REVENUE FUND TYPES (continued)
FOR THE YEAR ENDED JUNE 30, 1991

(Expressed in Thousands)

	HAZARDOUS WASTE		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES(BUDGET BASIS), JULY 1	$ 4,664	$ 4,664	
ADD:			
PRIOR YEAR ENCUMBRANCES LIQUIDATED			
CONTRACT RESERVES REAPPROPRIATED			
CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE			
ADJUSTED FUND BALANCES(BUDGETARY BASIS), JULY 1	4,664	4,664	
REVENUES:			
TAXES			
LICENSES, FINES, FEES AND PERMITS			
INTEREST ON INVESTMENTS		401	$ 401
FEDERAL	1,227	1,011	(216)
DEPARTMENTAL SERVICES	1,000	2,072	1,072
OTHER			
OTHER FINANCING SOURCES - TRANSFERS IN			
TOTAL SOURCES OF FINANCIAL RESOURCES	6,891	8,148	1,257
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
TREASURER			
PUBLIC SERVICE COMMISSION			
EDUCATION			
HEALTH AND ENVIRONMENT	5,903	2,824	3,079
SAFETY			
AGRICULTURE			
WILDLIFE RESOURCES			
COMMERCE AND INSURANCE			
TRANSPORTATION			
OTHER FINANCING USES - TRANSFERS OUT			
TOTAL USES OF FINANCIAL RESOURCES	5,903	2,824	3,079
FUND BALANCES(BUDGETARY BASIS), JUNE 30 (Note 2)	$ 988	$ 5,324	$ 4,336

See accompanying Notes to the Financial Statements

(continued on next page)

	REGULATORY BOARDS			DRUNK DRIVERS VICTIM COMPENSATION		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
	$ 1,822	$ 1,822		$ 9,396	$ 9,396	
	1,822	1,822		9,396	9,396	
					2,303	$ 2,303
		134	$ 134	3,200		(3,200)
		135	135		720	720
	1,822	2,091	269	12,596	12,419	(177)
				2,991	377	2,614
	83	38	45			
				1,615	1,615	
	83	38	45	4,606	1,992	2,614
	$ 1,739	$ 2,053	$ 314	$ 7,990	$ 10,427	$ 2,437

STATE OF TENNESSEE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL(BUDGETARY BASIS)
ALL BUDGETED SPECIAL REVENUE FUND TYPES (continued)
FOR THE YEAR ENDED JUNE 30, 1991

(Expressed in Thousands)

	UNDERGROUND STORAGE TANKS		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES(BUDGET BASIS), JULY 1	$ 7,880	$ 7,880	
ADD:			
PRIOR YEAR ENCUMBRANCES LIQUIDATED			
CONTRACT RESERVES REAPPROPRIATED			
CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE			
ADJUSTED FUND BALANCES(BUDGETARY BASIS), JULY 1	7,880	7,880	
REVENUES:			
TAXES		13,617	$ 13,617
LICENSES, FINES, FEES AND PERMITS	3,423	4,194	771
INTEREST ON INVESTMENTS		980	980
FEDERAL	3,097	1,431	(1,666)
DEPARTMENTAL SERVICES		11	11
OTHER			
OTHER FINANCING SOURCES - TRANSFERS IN			
TOTAL SOURCES OF FINANCIAL RESOURCES	14,400	28,113	13,713
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
TREASURER			
PUBLIC SERVICE COMMISSION			
EDUCATION			
HEALTH AND ENVIRONMENT	18,696	11,678	7,018
SAFETY			
AGRICULTURE			
WILDLIFE RESOURCES			
COMMERCE AND INSURANCE			
TRANSPORTATION			
OTHER FINANCING USES - TRANSFERS OUT			
TOTAL USES OF FINANCIAL RESOURCES	18,696	11,678	7,018
FUND BALANCES(BUDGETARY BASIS), JUNE 30 (Note 2)	$ (4,296)	$ 16,435	$ 20,731

See accompanying Notes to the Financial Statements

GRAIN INDEMNITY			TOTAL SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
			$ 74,840	$ 74,840	
			140	140	
			327,657	327,657	
			1,590	1,590	
			404,227	404,227	
			539,600	548,797	$ 9,197
	$ 298	$ 298	47,863	40,139	(7,724)
	8	8		4,524	4,524
			900,377	271,993	(628,384)
			47,642	22,898	(24,744)
				3,983	3,983
			9,041	9,041	
	306	306	1,948,750	1,305,602	(643,148)
			16,670	12,845	3,825
			13,691	13,121	570
			1,800	1,774	26
			25,099	14,689	10,410
			518	310	208
$ 287	287		287	287	
			32,697	29,940	2,757
			83	38	45
			1,817,413	1,151,923	665,490
			2,706	2,706	
287	287		1,910,964	1,227,633	683,331
$ (287)	$ 19	$ 306	$ 37,786	$ 77,969	$ 40,183

DEBT SERVICE FUND

The Debt Service Fund is maintained to account for accumulation of resources for, and the payment of, principal and interest on general long-term debt.

STATE OF TENNESSEE
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
JUNE 30, 1991 AND 1990

(Expressed in Thousands)

ASSETS	JUNE 30, 1991	JUNE 30, 1990
CASH AND CASH EQUIVALENTS	$ 453	$ 441
CASH WITH FISCAL AGENT	100	100
INVESTMENTS	100	100
ACCOUNTS RECEIVABLE	1,990	1,912
TOTAL ASSETS	$ 2,643	$ 2,553
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 42	$ 4
ACCOUNTS PAYABLE AND ACCRUALS	129	15
MATURED BONDS AND INTEREST PAYABLE	421	341
TOTAL LIABILITIES	592	360
FUND BALANCE:		
UNRESERVED:		
DESIGNATED FOR DEBT SERVICE	2,051	2,193
TOTAL FUND BALANCE	2,051	2,193
TOTAL LIABILITIES AND FUND BALANCE	$ 2,643	$ 2,553

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 1991 AND 1990

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1991	JUNE 30, 1990
REVENUES:		
TAXES:		
SALES AND USE	$ 21,558	$ 21,423
GASOLINE	18,400	18,800
FRANCHISE	18,000	16,000
EXCISE	72,700	65,800
TOTAL TAXES	130,658	122,023
FEDERAL	92	92
TOTAL REVENUES	130,750	122,115
EXPENDITURES:		
BOND PRINCIPAL RETIREMENT	61,017	63,667
BOND INTEREST	32,363	35,807
NOTE INTEREST	61	
OTHER	400	111
TOTAL EXPENDITURES	93,841	99,585
EXCESS OF REVENUES OVER EXPENDITURES	36,909	22,530
OTHER FINANCING SOURCES(USES):		
PREMIUMS ON BOND SALES	107	
OPERATING TRANSFER (TO) GENERAL FUND	(38,300)	(23,000)
OPERATING TRANSFER FROM INTERNAL SERVICE FUNDS	9,342	6,489
OPERATING TRANSFER (TO) SPECIAL REVENUE FUNDS	(8,200)	(8,200)
OPERATING TRANSFER (TO) ENTERPRISE FUNDS		(25)
TOTAL OTHER FINANCING (USES)	(37,051)	(24,736)
TOTAL OF REVENUES AND OTHER SOURCES (UNDER) EXPENDITURES AND OTHER USES	(142)	(2,206)
FUND BALANCE, JULY 1	2,193	4,399
FUND BALANCE, JUNE 30	$ 2,051	$ 2,193

See accompanying Notes to the Financial Statements

CAPITAL PROJECTS FUND

The Capital Projects Fund is maintained to account for the acquisition or construction of major governmental general fixed assets financed principally by long-term bonds.

STATE OF TENNESSEE
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND
JUNE 30, 1991 AND 1990

(Expressed in Thousands)

ASSETS	JUNE 30, 1991	JUNE 30, 1990
CASH AND CASH EQUIVALENTS	$ 20,796	$ 116,702
RECEIVABLES:		
ACCOUNTS	670	1,853
DUE FROM OTHER GOVERNMENTS	1,181	1,704
INTERFUND RECEIVABLES (Note 2)	71,805	10,927
TOTAL ASSETS	$ 94,452	$ 131,186
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 3,099	$ 1,348
ACCOUNTS PAYABLE	19,398	11,073
NOTES PAYABLE(Note 3)	7,979	
INTERFUND PAYABLES(Note 2)	3,743	5,218
DEFERRED REVENUE	212	157
TOTAL LIABILITIES	34,431	17,796
FUND BALANCE (Note 2):		
RESERVED FOR ENCUMBRANCES AND CONTRACTS	85,057	99,502
RESERVED FOR CAPITAL OUTLAY		13,888
UNRESERVED	(25,036)	
TOTAL FUND BALANCE	60,021	113,390
TOTAL LIABILITIES AND FUND BALANCE	$ 94,452	$ 131,186

STATE OF TENNESSEE
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 1991 AND 1990

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1991	JUNE 30, 1990
REVENUES:		
FEDERAL	$ 1,804	$ 3,379
DEPARTMENTAL SERVICES	9,940	17,031
TOTAL REVENUES	11,744	20,410
EXPENDITURES:		
GENERAL GOVERNMENT	14,148	37,927
EDUCATION	1,717	2,413
HEALTH AND SOCIAL SERVICES	3,814	5,023
LAW, JUSTICE AND PUBLIC SAFETY	83,655	68,221
RECREATION AND RESOURCES DEVELOPMENT	17,760	6,120
TOTAL EXPENDITURES	121,094	119,704
EXCESS OF EXPENDITURES (OVER) REVENUES	(109,350)	(99,294)
OTHER FINANCING SOURCES(USES):		
BOND PROCEEDS	100,000	46,000
OPERATING TRANSFER FROM GENERAL FUND	29,215	33,339
OPERATING TRANSFER FROM HIGHWAY FUND		70
OPERATING TRANSFER (TO) COLLEGE AND UNIVERSITY FUNDS	(73,234)	(47,920)
TOTAL OTHER FINANCING SOURCES	55,981	31,489
TOTAL OF REVENUES AND OTHER SOURCES (UNDER) EXPENDITURES AND OTHER USES	(53,369)	(67,805)
FUND BALANCE, JULY 1	113,390	181,195
FUND BALANCE, JUNE 30	$ 60,021	$ 113,390

See accompanying Notes to the Financial Statements

ENTERPRISE FUNDS

The Enterprise Funds are used to account for the operations of state agencies that provide goods or services to the general public on a user charge basis. The state's enterprise operations are described below.

Housing Development Agency - Created by the legislature in 1973, the purpose of this agency is to improve the quality of housing available to lower and moderate income Tennesseans. This objective is accomplished in part by (1) making funds available for loans for residential construction or rehabilitation, (2) making or participating in the making of insured mortgage loans and (3) purchasing existing mortgages from lending institutions. These programs are funded primarily from the sale of revenue bonds or notes.

Local Development Authority - This authority was created in 1978 for the purpose of providing to local governments, through the issuing of revenue bonds or notes, the financing assistance previously provided by the State Loan Program. In addition, the Authority may assist small business concerns in financing pollution control facilities and farmers in financing certain capital improvements.

State Loan Program - Operated since the early 1970's through the Department of Health and Environment, this program has provided financial assistance to local governments and utility districts for the construction of sewage treatment, solid waste recovery and waterworks facilities. In order for these borrowing entities to generate funds necessary to repay the loans, the imposition of a user's fee by the local systems was authorized. In order to finance this program, general obligation bonds were sold which, although remaining full faith and credit obligations of the state, are being retired from resources of this fund. Future financing for this program will be generated from the sale of revenue bonds or notes by the Local Development Authority.

Sewer Treatment Loan - Created in 1987, this fund provides loans to local governments and utility districts for the construction of sewage treatment facilities. The initial source of the monies are federal grants and state appropriations.

Comprehensive Health Insurance - Created by the legislature in 1986, this act was to provide access to health insurance to all residents of Tennessee. Individuals are charged premiums for coverage and the insurance companies are assessed an amount to help fund the pool.

Small Business Energy Loan Program - Created in 1988, this program makes loans to small businesses to make the business more energy efficient.

Veterans' Nursing Home - Created in 1988, the primary purpose of the home is to provide support and care for honorably discharged veterans of the United States Armed Forces. The revenue sources will be the Veterans' Administration, Medicaid, and a user fee.

Teacher Group Insurance - Established in January 1986, this fund is used to account for revenues received and claims paid on behalf of teachers of political subdivisions of the state who have elected coverage under a group medical plan similar to that offered state employees.

Property Utilization, a division of the Department of General Services - This agency receives surplus federal property and redistributes it to civil defense units, health and educational institutions and other eligible donees within the state. The agency collects fees from the donees to offset operating costs. In addition, this agency handles property surplused by the various state agencies.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed in Thousands)

ASSETS	HOUSING DEVELOPMENT AGENCY	LOCAL DEVELOPMENT AUTHORITY	STATE LOAN PROGRAM	SEWER TREATMENT LOAN
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	$ 98,801	$ 29,964	$ 6,849	$ 20,191
SHORT TERM INVESTMENTS	223,824			
RECEIVABLES:				
ACCOUNTS	4,540			
INTEREST	23,924	194	16	
LOANS RECEIVABLE - CURRENT PORTION	17,337			
DUE FROM OTHER GOVERNMENTS - CURRENT PORTION	889	2,030	3,355	
INTERFUND RECEIVABLES (NOTE 2)				
INVENTORIES				
TOTAL CURRENT ASSETS	369,315	32,188	10,220	20,191
OTHER ASSETS:				
LONG-TERM INVESTMENTS, at cost or amortized cost	265,278	5,778		
LOANS RECEIVABLE	1,267,773			
DUE FROM OTHER GOVERNMENTS		72,468	49,333	17,931
DEFERRED CHARGES	2,257	328		
TOTAL OTHER ASSETS	1,535,308	78,574	49,333	17,931
FIXED ASSETS:				
LAND, at cost				
STRUCTURES AND IMPROVEMENTS, at cost				
MACHINERY AND EQUIPMENT, at cost	159			
LESS ACCUMULATED DEPRECIATION	(68)			
CONSTRUCTION IN PROGRESS				
TOTAL FIXED ASSETS	91			
TOTAL ASSETS	$ 1,904,714	$ 110,762	$ 59,553	$ 38,122
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
CURRENT LIABILITIES:				
WARRANTS PAYABLE	$ 1,751	$ 139		$ 793
ACCOUNTS PAYABLE AND ACCRUALS	79,346	2,828	$ 1,632	
INTERFUND PAYABLES (Note 2)	19			
NOTES PAYABLE (Note 3)		51,593		
CURRENT PORTION OF LONG-TERM DEBT (NOTE 3)	55,780	2,030	3,355	
DEFERRED REVENUE	2,496			
TOTAL CURRENT LIABILITIES	139,392	56,590	4,987	793
LONG-TERM PAYABLE				
ADVANCES FROM OTHER FUNDS				
LONG-TERM DEBT - BONDS PAYABLE, NET (Note 3)	1,608,147	47,417	50,990	
CALL PREMIUMS PAYABLE		733		
TOTAL LONG-TERM DEBT	1,608,147	48,150	50,990	
TOTAL LIABILITIES	1,747,539	104,740	55,977	793
FUND EQUITY (Note 2):				
CONTRIBUTED CAPITAL	2,500			34,870
RETAINED EARNINGS:				
RESERVED FOR BOND RETIREMENT	17,058			
RESERVED FOR LOCAL DEVELOPMENT LOANS		4,427		
RESERVED FOR HOUSING DEVELOPMENT	56,924			
UNRESERVED	80,693	1,595	3,576	2,459
TOTAL FUND EQUITY	157,175	6,022	3,576	37,329
TOTAL LIABILITIES AND FUND EQUITY	$ 1,904,714	$ 110,762	$ 59,553	$ 38,122

See accompanying Notes to the Financial Statements

COMPREHENSIVE HEALTH INSURANCE	SMALL BUSINESS ENERGY LOAN PROGRAM	VETERANS' NURSING HOME	TEACHER GROUP INSURANCE	PROPERTY UTILIZATION	TOTALS JUNE 30, 1991	TOTALS JUNE 30, 1990
	$ 368	$ 234	$ 5,549	$ 2	$ 161,958 223,824	$ 320,698
$ 2,694		69	34	69	7,406 24,134	6,739 18,501
	291				17,628	15,130
		198			6,472	5,626
		944		1	945	2,365
		30			30	
2,694	659	1,475	5,583	72	442,397	369,059
					271,056	248,023
	1,229				1,269,002	1,161,730
					139,732	139,027
		250			2,835	2,514
	1,229	250			1,682,625	1,551,294
		195			195	63
		3,732			3,732	106
		543		200	902	365
		(9)		(162)	(239)	(246)
						1,461
		4,461		38	4,590	1,749
$ 2,694	$ 1,888	$ 6,186	$ 5,583	$ 110	$ 2,129,612	$ 1,922,102
$ 503	$ 58		$ 1,199	$ 19	$ 4,462	$ 4,409
5,187	63	$ 167	8,210	186	97,619	95,671
3,087		323		9	3,438	580
					51,593	55,164
		50			61,215	38,843
860		60	4,370		7,786	6,767
9,637	121	600	13,779	214	226,113	201,434
		12			12	
		190			190	200
		2,418			1,708,972	1,566,133
					733	733
		2,620			1,709,907	1,567,066
9,637	121	3,220	13,779	214	1,936,020	1,768,500
		3,072		1,150	41,592	18,168
					17,058	14,858
					4,427	4,128
					56,924	55,390
(6,943)	1,767	(106)	(8,196)	(1,254)	73,591	61,058
(6,943)	1,767	2,966	(8,196)	(104)	193,592	153,602
$ 2,694	$ 1,888	$ 6,186	$ 5,583	$ 110	$ 2,129,612	$ 1,922,102

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	HOUSING DEVELOPMENT AGENCY	LOCAL DEVELOPMENT AUTHORITY	STATE LOAN PROGRAM	SEWER TREATMENT LOAN
OPERATING REVENUES:				
CHARGES FOR SERVICES	$ 113,091	$ 5,903	$ 3,158	$ 408
INTEREST INCOME	41,991	2,378	548	769
PREMIUMS				
TOTAL OPERATING REVENUES	155,082	8,281	3,706	1,177
OPERATING EXPENSES:				
PERSONAL SERVICES	1,701			
CONTRACTUAL SERVICES	949	138	4	
MORTGAGE SERVICE FEES	4,284			
MATERIALS AND SUPPLIES	39			
RENTALS AND INSURANCE	254			
INTEREST	131,481	7,172	3,402	
DEPRECIATION AND AMORTIZATION	250	140		
BENEFITS				
OTHER	808			
TOTAL OPERATING EXPENSES	139,766	7,450	3,406	
OPERATING INCOME(LOSS)	15,316	831	300	1,177
NONOPERATING REVENUES(EXPENSES):				
OPERATING GRANTS	23,063			435
GRANTS EXPENSE	(28,525)			(435)
INTEREST	44			
TAX REVENUE	6,820			
ASSESSMENTS				
TOTAL NONOPERATING REVENUES (EXPENSES)	1,402			
INCOME(LOSS) BEFORE OPERATING TRANSFERS	16,718	831	300	1,177
OPERATING TRANSFER FROM DEBT SERVICE FUND				
OPERATING TRANSFER FROM (TO) ENTERPRISE FUND		25	(25)	
OPERATING TRANSFER FROM GENERAL FUND				
INCOME(LOSS) BEFORE EXTRAORDINARY CHARGE	16,718	856	275	1,177
EXTRAORDINARY CHARGE (NOTE 3)	(458)			
NET INCOME(LOSS) /CHANGE IN RETAINED EARNINGS	16,260	856	275	1,177
OTHER CHANGES IN FUND EQUITY:				
(DISPOSED OF) FIXED ASSETS				
CONTRIBUTED CAPITAL				9,321
EQUITY TRANSFER FROM GENERAL FUND				11,940
NET CHANGE IN FUND EQUITY	16,260	856	275	22,438
FUND EQUITY, JULY 1 (Note 2)	140,915	5,166	3,301	14,891
FUND EQUITY, JUNE 30 (Note 2)	$ 157,175	$ 6,022	$ 3,576	$ 37,329

See accompanying Notes to the Financial Statements

COMPREHENSIVE HEALTH INSURANCE	SMALL BUSINESS ENERGY LOAN PROGRAM	VETERANS' NURSING HOME	TEACHER GROUP INSURANCE	PROPERTY UTILIZATION	TOTALS FOR THE YEAR ENDED JUNE 30, 1991	TOTALS FOR THE YEAR ENDED JUNE 30, 1990
		$ 28		$ 1,606	$ 124,194	$ 113,054
$ 66	$ 50		$ 225		46,027	45,637
11,409			43,083		54,492	45,650
11,475	50	28	43,308	1,606	224,713	204,341
		29		1,249	2,979	3,310
24		84		330	1,529	1,221
					4,284	3,769
				162	201	219
			33	329	616	316
54		10			142,119	130,918
		12		8	410	401
16,557			45,439		61,996	57,031
430		3	898	91	2,230	2,240
17,065		138	46,370	2,169	216,364	199,425
(5,590)	50	(110)	(3,062)	(563)	8,349	4,916
	1,186				24,684	23,123
					(28,960)	(26,223)
		4			48	
					6,820	7,705
3,000					3,000	2,867
3,000	1,186	4			5,592	7,472
(2,590)	1,236	(106)	(3,062)	(563)	13,941	12,388
						25
3,000				82	3,082	(4,723)
410	1,236	(106)	(3,062)	(481)	17,023	7,690
					(458)	(768)
410	1,236	(106)	(3,062)	(481)	16,565	6,922
				(102)	(102)	(27)
		1,982			11,303	5,862
				284	12,224	3,284
410	1,236	1,876	(3,062)	(299)	39,990	16,041
(7,353)	531	1,090	(5,134)	195	153,602	137,561
$ (6,943)	$ 1,767	$ 2,966	$ (8,196)	$ (104)	$ 193,592	$ 153,602

STATE OF TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	HOUSING DEVELOPMENT AGENCY	LOCAL DEVELOPMENT AUTHORITY	STATE LOAN PROGRAM	SEWER TREATMENT LOAN
CASH FLOWS FROM OPERATING ACTIVITIES:				
OPERATING INCOME	$ 15,316	$ 831	$ 300	$ 1,177
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:				
DEPRECIATION AND AMORTIZATION	(118)	140		
INVESTMENT INCOME	(41,991)	(2,493)	(548)	
INTEREST INCOME				
INTEREST EXPENSE	131,481	7,172	3,402	
LOSS ON DISPOSAL OF FIXED ASSETS				
CHANGE IN ASSETS AND LIABILITIES:				
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(108,469)	7,084	3,254	(11,278)
(INCREASE)DECREASE IN INTERFUND RECEIVABLES				
(INCREASE)DECREASE IN INVENTORIES				
(INCREASE)DECREASE IN DEFERRED CHARGES	2			
INCREASE(DECREASE) IN WARRANTS PAYABLE	(72)	(435)		409
INCREASE(DECREASE) IN ACCOUNTS PAYABLE	(2,573)	442	(28)	
INCREASE(DECREASE) IN INTERFUND PAYABLE	(2)			
INCREASE(DECREASE) IN DEFERRED REVENUE	1,488			
TOTAL ADJUSTMENTS	(20,254)	11,910	6,080	(10,869)
NET CASH FROM OPERATING ACTIVITIES	(4,938)	12,741	6,380	(9,692)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
OPERATING GRANTS RECEIVED	22,557			438
OPERATING GRANTS PAID	(28,525)			(435)
ADVANCES FROM OTHER FUNDS				
PROCEEDS FROM SALE OF BONDS	223,356	51,706		
OPERATING TRANSFERS IN		25		
OPERATING TRANSFERS OUT			(25)	
EQUITY TRANSFERS IN				11,940
EQUITY TRANSFERS OUT				
TAX REVENUES RECEIVED	6,820			
ASSESSMENTS RECEIVED				
PRINCIPAL PAYMENTS	(63,944)	(56,883)	(3,195)	
INTEREST PAID	(117,746)	(7,669)	(3,461)	
CAPITAL CONTRIBUTIONS				9,321
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	42,518	(12,821)	(6,681)	21,264
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PURCHASE OF FIXED ASSETS				
PROCEEDS FROM SALE OF BONDS				
INTEREST PAID				
CAPITAL CONTRIBUTIONS				
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASE OF LONG-TERM INVESTMENTS	(472,722)			
PROCEEDS FROM SALE OF LONG-TERM INVESTMENTS	410,667	39		
INTEREST RECEIVED	38,167	2,548	548	
NET CASH FROM INVESTING ACTIVITIES	(23,888)	2,587	548	
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	13,692	2,507	247	11,572
CASH AND CASH EQUIVALENTS, JULY 1	85,109	27,457	6,602	8,619
CASH AND CASH EQUIVALENTS, JUNE 30	$ 98,801	$ 29,964	$ 6,849	$ 20,191
NONCASH CAPITAL AND FINANCING ACTIVITIES:				
(DISPOSAL OF) FIXED ASSETS				
TOTAL NONCASH CAPITAL AND FINANCING ACTIVITIES				

See accompanying Notes to the Financial Statements

COMPREHENSIVE HEALTH INSURANCE	SMALL BUSINESS ENERGY LOAN PROGRAM	VETERANS' NURSING HOME	TEACHER GROUP INSURANCE	PROPERTY UTILIZATION	TOTALS FOR THE YEAR ENDED JUNE 30, 1991	JUNE 30, 1990
$ (5,590)	$ 50	$ (110)	$ (3,062)	$ (562)	$ 8,350	$ 4,916
		12		8	42	98
					(45,032)	(44,986)
(12)			(225)		(237)	(703)
		11			142,066	130,918
				1	1	4
(2,594)	(1,044)	(70)	18	31	(113,068)	(147,551)
		1,397		11	1,408	(2,363)
		(30)			(30)	
		(150)			(148)	(111)
(403)	58		500	(4)	53	1,200
(911)	63	75	1,303	(13)	(1,642)	4,334
3,087		(236)		(1)	2,848	553
(833)		60	671		1,386	1,288
(1,666)	(923)	1,069	2,267	33	(12,353)	(57,319)
(7,256)	(873)	959	(795)	(529)	(4,003)	(52,403)
	1,186				24,181	23,107
					(28,960)	(26,224)
						200
					275,062	224,864
3,000				81	3,106	25
					(25)	(4,723)
				284	12,224	3,305
						(21)
					6,820	7,705
3,000					3,000	2,867
					(124,022)	(145,809)
					(128,876)	(119,365)
					9,321	4,806
6,000	1,186			365	51,831	(29,263)
		(2,908)		(1)	(2,909)	(1,509)
						2,466
		(183)			(183)	894
		1,947			1,947	
		(1,144)		(1)	(1,145)	1,851
					(472,722)	(311,014)
					410,706	349,799
12		136	225		41,636	46,376
12		136	225		(20,380)	85,161
(1,244)	313	(49)	(570)	(165)	26,303	5,346
1,244	55	283	6,119	167	135,655	130,309
$ -	$ 368	$ 234	$ 5,549	$ 2	$ 161,958	$ 135,655
				$ (102)	$ (102)	$ (27)
				$ (102)	$ (102)	$ (27)

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INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the operations of state agencies that provide goods or services to other state agencies on a cost-reimbursement basis. The following operations are included in these funds:

Office for Information Resources, a division of the Department of Finance and Administration - This agency functions as the data and voice service bureau for state government.

Claims Award - This fund was created in 1985 to pay awards for claims made against the state once validity of the claims has been determined by the Tennessee Claims Commission.

Motor Vehicle Management, a division of the Department of General Services - This division is responsible for administering a uniform program for the operation and maintenance of all state vehicles.

Printing, a division of the Department of General Services - This agency operates a printing facility to provide such services as general printing, typesetting and binding for state agencies located in Nashville and has responsibility for the installation and management of state-owned copier machines located in selected state agencies with high volume activity. In addition, this division provides photographic services to the various state agencies.

Facilities Revolving Fund - This fund was created in 1989 to provide for the maintenance, repair and total housing needs of state government. This fund is being phased in. The first year it included only downtown Nashville office space. In fiscal year 90-91, the fund expanded to include all office and warehouse space in Davidson, Knox, Madison, Shelby, Washington, Hamilton, and Sullivan Counties. In fiscal year 91-92, the fund will encompass all office and warehouse space in the State, except institutional space.

Employee Group Insurance Fund - Established in January 1978, this fund is used to account for transactions pertaining to the state's self-insured group medical plan. Prior to 1978, medical insurance was provided by a private carrier. Group life and accident insurance premiums paid to a private insurance company are also recorded in this fund.

Tennessee State School Bond Authority (TSSBA) - Established in 1965, the TSSBA provides a mechanism for financing building projects for the state's universities. Agreements are executed between the governing boards of the institutions and the TSSBA, and revenue bonds are issued using the constructed facilities as collateral. Charges levied by the universities on users of the facilities provide the funds necessary for payment of principal and interest on bonds. Any collections in excess of these requirements are retained by the institutions to cover administrative fees, building maintenance and related costs.

Legislative Services, a division of the Legislative branch - This division collects revenue from the printing and distribution of proposed bills, legislative calendars and other information during the legislative session.

Capitol Print Shop, a division of the Office of the Comptroller - This facility is responsible for providing printing, mailing and other office services for the state agencies located in the Capitol.

Postal Services, a division of the Department of General Services - This agency processes and distributes incoming, outgoing and interdepartmental mail for state agencies located in Nashville.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed in Thousands)

ASSETS	OFFICE FOR INFORMATION RESOURCES	CLAIMS AWARD	MOTOR VEHICLE MANAGEMENT	GENERAL SERVICES PRINTING	FACILITIES REVOLVING FUND
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 11,133	$ 58,863	$ 5,659	$ 1,890	$ 22,556
CASH ON DEPOSIT WITH FISCAL AGENT					
SHORT-TERM INVESTMENTS, at cost					
ACCOUNTS RECEIVABLE	1		74	31	8
INTERFUND RECEIVABLES (NOTE 2)			11		24
INVENTORIES, at cost	157		75	215	38
PREPAID EXPENSES	1,468				
TOTAL CURRENT ASSETS	12,759	58,863	5,819	2,136	22,626
OTHER ASSETS:					
INVESTMENTS, at cost					
DEFERRED CHARGES					
TOTAL OTHER ASSETS					
FIXED ASSETS:					
LAND, at cost					24,344
STRUCTURES AND IMPROVEMENTS, at cost			168		209,729
MACHINERY AND EQUIPMENT, at cost	67,493		40,103	3,328	94
LESS ACCUMULATED DEPRECIATION	(36,380)		(15,647)	(2,221)	(71,390)
TOTAL FIXED ASSETS	31,113		24,624	1,107	162,777
TOTAL ASSETS	$ 43,872	$ 58,863	$ 30,443	$ 3,243	$ 185,403
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
CURRENT LIABILITIES:					
WARRANTS PAYABLE	$ 2,414	$ 279	$ 242	$ 201	$ 419
ACCOUNTS PAYABLE AND ACCRUALS:					
ACCOUNTS PAYABLE	3,289	51,343	2,368	331	1,627
ACCRUED PAYROLL AND RELATED DEDUCTIONS	1,191		94	191	
INTERFUND PAYABLES (Note 2)	71		7	14	
NOTES PAYABLE	7,721				
CURRENT PORTION OF LONG-TERM DEBT (Note 3)					
CALL PREMIUMS PAYABLE					
LEASE OBLIGATIONS PAYABLE				60	
DEFERRED REVENUE	353				
TOTAL CURRENT LIABILITIES	15,039	51,622	2,711	797	2,046
LONG-TERM DEBT:					
BONDS PAYABLE					
CALL PREMIUMS PAYABLE					
TOTAL LONG-TERM DEBT					
TOTAL LIABILITIES	15,039	51,622	2,711	797	2,046
FUND EQUITY (Note 2):					
CONTRIBUTED CAPITAL:					
CAPITAL GRANTS			121		
GOVERNMENT'S CONTRIBUTIONS	14,497		4,114	1,352	170,237
RETAINED EARNINGS(DEFICIT)	14,336	7,241	23,497	1,094	13,120
TOTAL FUND EQUITY	28,833	7,241	27,732	2,446	183,357
TOTAL LIABILITIES AND FUND EQUITY	$ 43,872	$ 58,863	$ 30,443	$ 3,243	$ 185,403

See accompanying Notes to the Financial Statements

EMPLOYEE GROUP INSURANCE	STATE SCHOOL BOND AUTHORITY	LEGISLATIVE SERVICES	CAPITOL PRINT SHOP	POSTAL SERVICES	TOTALS JUNE 30, 1991	TOTALS JUNE 30, 1990
$ 14,482	$ 6,046	$ 162	$ 426	$ 676	$ 121,893	$ 110,385
	2,254				2,254	257
	68,637				68,637	
43		5		—	162	1,554
					35	21
			75	85	645	783
			5	19	1,492	1,241
14,525	76,937	167	506	780	195,118	114,241
	18				18	68,576
	1,001				1,001	1,433
	1,019				1,019	70,009
					24,344	15,265
					209,897	149,071
			372	346	111,736	95,515
			(221)	(152)	(126,011)	(94,261)
			151	194	219,966	165,590
$ 14,525	$ 77,956	$ 167	$ 657	$ 974	$ 416,103	$ 349,840
$ 5,032	$ 1	$ 4	$ 39	$ 11	$ 8,642	$ 6,248
27,897	5,322		33	114	92,324	69,001
			25	119	1,620	1,441
				5	97	100
					7,721	
	68,935				68,935	
	1,979				1,979	
					60	
8,722					9,075	8,068
41,651	76,237	4	97	249	190,453	84,858
						68,845
						1,979
						70,824
41,651	76,237	4	97	249	190,453	155,682
					121	121
		86	234	25	190,545	137,449
(27,126)	1,719	77	326	700	34,984	56,588
(27,126)	1,719	163	560	725	225,650	194,158
$ 14,525	$ 77,956	$ 167	$ 657	$ 974	$ 416,103	$ 349,840

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	OFFICE FOR INFORMATION RESOURCES	CLAIMS AWARD	MOTOR VEHICLE MANAGEMENT	GENERAL SERVICES PRINTING	FACILITIES REVOLVING FUND
OPERATING REVENUES:					
CHARGES FOR SERVICES	$ 37,490	$ 15,903	$ 13,037	$ 5,612	$ 50,080
INTEREST INCOME		5,587			
PREMIUMS					
OTHER		4	112		
TOTAL OPERATING REVENUES	37,490	21,494	13,149	5,612	50,080
OPERATING EXPENSES:					
PERSONAL SERVICES	9,282		905	1,936	
CONTRACTUAL SERVICES	9,201	3,473	569	1,381	20,973
MATERIALS AND SUPPLIES	3,262		3,851	1,340	1,814
RENTALS AND INSURANCE	5,010		361	687	6,974
INTEREST					
DEPRECIATION AND AMORTIZATION	8,215		6,015	357	3,793
BENEFITS		14,667			
OTHER	254		4	35	72
TOTAL OPERATING EXPENSES	35,224	18,140	11,705	5,736	33,626
OPERATING INCOME(LOSS)	2,266	3,354	1,444	(124)	16,454
NONOPERATING REVENUES					
INTEREST INCOME					1,164
TOTAL NONOPERATING REVENUES					1,164
INCOME(LOSS) BEFORE OPERATING TRANSFERS	2,266	3,354	1,444	(124)	17,618
OPERATING TRANSFER FROM (TO) GENERAL FUND	25	(17,300)		54	
OPERATING TRANSFER (TO) DEBT SERVICE FUND					(9,342)
OPERATING TRANSFER (TO) SPECIAL REVENUE FUND					(275)
NET INCOME(LOSS)/CHANGE IN RETAINED EARNINGS	2,291	(13,946)	1,444	(70)	8,001
OTHER CHANGES IN FUND EQUITY					
CONTRIBUTED FIXED ASSETS			936	11	52,150
EQUITY TRANSFER (TO) GENERAL FUND					
NET CHANGE IN FUND EQUITY	2,291	(13,946)	2,380	(59)	60,151
FUND EQUITY, JULY 1(Note 2)	26,542	21,187	25,352	2,505	123,206
FUND EQUITY, JUNE 30	$ 28,833	$ 7,241	$ 27,732	$ 2,446	$ 183,357

See accompanying Notes to the Financial Statements

EMPLOYEE GROUP INSURANCE	STATE SCHOOL BOND AUTHORITY	LEGISLATIVE SERVICES	CAPITOL PRINT SHOP	POSTAL SERVICES	TOTALS FOR THE YEAR ENDED JUNE 30, 1991	JUNE 30, 1990
		$ 165	$ 924	$ 4,175	$ 127,386	$ 108,149
$ 1,147	$ 4,886				11,620	12,701
153,513					153,513	140,417
					116	282
154,660	4,886	165	924	4,175	292,635	261,549
		40	423	842	13,428	12,499
		120	218	102	36,037	25,570
			213	2,950	13,430	12,674
24,187		1	50	175	37,445	35,435
	4,400				4,400	4,400
	522		62	63	19,027	16,972
145,704					160,371	113,760
4,012				51	4,428	4,032
173,903	4,922	161	966	4,183	288,566	225,342
(19,243)	(36)	4	(42)	(8)	4,069	36,207
					1,164	
					1,164	
(19,243)	(36)	4	(42)	(8)	5,233	36,207
					(17,221)	(6,292)
					(9,342)	(6,489)
					(275)	
(19,243)	(36)	4	(42)	(8)	(21,605)	23,426
					53,097	102,751
						(16,411)
(19,243)	(36)	4	(42)	(8)	31,492	109,766
(7,883)	1,755	159	602	733	194,158	84,392
$ (27,126)	$ 1,719	$ 163	$ 560	$ 725	$ 225,650	$ 194,158

STATE OF TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	OFFICE FOR INFORMATION RESOURCES	CLAIMS AWARDS	MOTOR VEHICLE MANAGEMENT	GENERAL SERVICES PRINTING	FACILITIES REVOLVING FUND
CASH FLOWS FROM OPERATING ACTIVITIES:					
OPERATING INCOME	$ 2,266	$ 3,354	$ 1,444	$ (124)	$ 16,454
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:					
DEPRECIATION AND AMORTIZATION	8,215		6,015	357	3,793
INTEREST INCOME		(5,587)			
INTEREST EXPENSE					
LOSS(GAIN) ON DISPOSAL OF FIXED ASSETS	107		(111)	3	
CHANGE IN ASSETS AND LIABILITIES:					
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(1)		34	(29)	(7)
(INCREASE)DECREASE IN INTERFUND RECEIVABLES			10		(24)
(INCREASE)DECREASE IN INVENTORIES	42		11	(4)	15
(INCREASE)DECREASE IN PREPAID EXPENSES	(249)				
INCREASE(DECREASE) IN WARRANTS PAYABLE	1,968	(23)	(129)	133	287
INCREASE(DECREASE) IN ACCOUNTS PAYABLE	1,444	9,988	1,962	124	728
INCREASE(DECREASE) IN INTERFUND PAYABLE	(1)			(1)	
INCREASE(DECREASE) IN DEFERRED REVENUE	(114)				
TOTAL ADJUSTMENTS	11,411	4,378	7,792	583	4,792
NET CASH FROM OPERATING ACTIVITIES	13,677	7,732	9,236	459	21,246
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
OPERATING TRANSFERS IN	25			54	
OPERATING TRANSFERS OUT		(17,300)			(9,617)
EQUITY TRANSFERS IN					
EQUITY TRANSFERS OUT					
INTEREST PAID					
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	25	(17,300)		54	(9,617)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
PURCHASE OF FIXED ASSETS	(15,207)		(5,423)	(286)	
PROCEEDS FROM SALE OF FIXED ASSETS			1,247		
NOTE PROCEEDS	7,721				
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(7,486)		(4,176)	(286)	
CASH FLOWS FROM INVESTING ACTIVITIES:					
PURCHASE OF LONG-TERM INVESTMENTS					
PROCEEDS FROM SALE OF LONG-TERM INVESTMENTS					
INTEREST RECEIVED		5,587			1,164
NET CASH FROM INVESTING ACTIVITIES		5,587			1,164
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,216	(3,981)	5,060	227	12,793
CASH AND CASH EQUIVALENTS, JULY 1	4,917	62,844	599	1,663	9,763
CASH AND CASH EQUIVALENTS, JUNE 30	$ 11,133	$ 58,863	$ 5,659	$ 1,890	$ 22,556
NONCASH CAPITAL AND FINANCING ACTIVITIES					
CAPITAL LEASE OBLIGATION				$ 60	
ACQUISITION OF FIXED ASSET THROUGH CAPITAL LEASE				(60)	
CONTRIBUTED FIXED ASSETS			$ 936	11	$ 52,150
TOTAL NONCASH CAPITAL AND FINANCING ACTIVITIES			$ 936	$ 11	$ 52,150

See accompanying Notes to the Financial Statements

EMPLOYEE GROUP INSURANCE	STATE SCHOOL BOND AUTHORITY	LEGISLATIVE SERVICES	CAPITOL PRINT SHOP	POSTAL SERVICES	TOTALS FOR THE YEAR ENDED JUNE 30, 1991	JUNE 30, 1990
$ (19,243)	$ (36)	$ 4	$ (42)	$ (8)	$ 4,069	$ 36,207
	522		62	63	19,027	16,972
(1,147)	(4,886)				(11,620)	(8,301)
	4,400				4,400	
					(1)	(104)
1,396		(2)			1,391	1,007
					(14)	140
			42	33	139	221
			3	(5)	(251)	(491)
158	(19)	3	20	(8)	2,390	(346)
4,769	4,370	(1)	1	121	23,506	(16,197)
				(1)	(3)	(421)
1,122					1,008	1,235
6,298	4,387		128	203	39,972	(6,285)
(12,945)	4,351	4	86	195	44,041	29,922
					79	8
					(26,917)	(12,789)
						3,939
						(20,350)
	(4,400)				(4,400)	(4,400)
	(4,400)				(31,238)	(33,592)
				(55)	(20,971)	(22,708)
					1,247	1,680
					7,721	
				(55)	(12,003)	(21,028)
	(412)				(412)	(272)
	333				333	212
1,147	4,886				12,784	12,701
1,147	4,807				12,705	12,641
(11,798)	4,758	4	86	140	13,505	(12,057)
26,280	3,542	158	340	536	110,642	122,699
$ 14,482	$ 8,300	$ 162	$ 426	$ 676	$ 124,147	$ 110,642
					$ 60	
					(60)	
					53,097	$ 100,920
					$ 53,097	$ 100,920

TRUST AND AGENCY FUNDS

The Trust and Agency Funds are used to account for assets held by the state in a fiduciary capacity. Trust funds include the Employment Security Fund, the Local Government Investment Fund, the Employee Flexible Benefits, the Student Assistance Corporation Fund, the Board of Equalization Loan Fund, the Chairs of Excellence Fund and the Pension Trust Fund. The Local Government Fund, the Contingent Revenue Fund, the Deferred Compensation Fund, the Bond Refunding Fund, and the Community Development Fund are agency funds.

Expendable Trust Funds:

Employment Security Fund - This fund is maintained to account for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants. Funds are also received from the federal government for local office building construction, supplemental unemployment programs and work incentive payments. As required by law, all funds not necessary for current benefit payments are placed on deposit with the U.S. Treasury. Interest earned from these moneys is retained in the fund. Administrative and operational expenses incurred by the Department of Employment Security are expenditures of the General Fund.

Local Government Investment Fund - This fund was created in July 1980 to account for local government deposits with the state treasurer and the related interest earnings. Through this program the participating local governments achieve higher investment income by pooling their funds than they could realize individually.

Employee Flexible Benefits - Established in January 1988, this fund is used to account for monies contributed by employees under the IRC Section 125 cafeteria plan. Revenues in this fund are generated by forfeitures by employees. Expenditures or transfers of this fund include administrative, the state's day care, and employee group insurance.

Nonexpendable Trust Funds:

Student Assistance Corporation Fund - This fund is used to account for the operations of the Tennessee Student Assistance Corporation (TSAC), a nonprofit organization created to administer loan and grant programs to students attending higher education institutions. TSAC was established in 1974 to (1) guarantee loans made to eligible students, (2) administer state awards of financial assistance to eligible students, and (3) administer the nursing and medical loan scholarship programs.

Board of Equalization Loan Fund - This fund was created in 1963 to account for state loans to city and county governments for a program of assessment, reassessment or equalization of property taxes. In 1967, the program was expanded to also enable grants to be made for these purposes. Cash in the fund not needed for loans or grants may be transferred to other state activities by legislative act.

Chairs of Excellence Fund - This fund was created by the General Assembly in 1986. Its purpose is to endow faculty chairs at the Tennessee Board of Regents and University of Tennessee campuses in order to attract more highly qualified professors. For a chair to be established, private contributions which a school collects are matched by monies the state has appropriated to fund this program. The chair also receives the interest earned from investment of these matched monies.

Pension Trust Fund:

The Tennessee Consolidated Retirement System was established in July 1972 superseding seven former retirement systems. The accounts of each superseded system was transferred to the new system wherein separate accounting is maintained for assets and liabilities attributable to the various classes of members and beneficiaries. Benefits under the system are funded by contributions of members and employers. Effective July 1982, contributions of up to 5% of the retirement credible compensation of most classes of state employees, formerly paid by those employees, were assumed by the state pursuant to non-contributory legislation. The level of contributions is determined by actuarial valuation, the latest having been performed as of June 30, 1991. As of that date there were 158,381 active members and 54,789 retired members representing a 3% and 7% increase, respectively, since the previous actuarial valuation in 1989.

Agency Funds:

Local Government Fund - The purpose of the Local Government Fund is to serve as a clearing mechanism for state-shared taxes and other funds distributed to the various counties and cities of the state.

Contingent Revenue Fund - This fund is used to account for refundable deposits and other receipts held in trust until the state has the right to transfer them to operating funds or until there is proper authorization to disburse them directly to others.

Deferred Compensation Fund - This fund is used to report the market value of investments accumulated in the state's IRC Section 457 deferred compensation plan.

Bond Refunding Fund - This fund is used to account for the refunding bond issues for the Local Development Authority and General Obligation bonds for which the State Treasurer is the trustee.

Community Development Fund - This fund is used to account for the monies held in trust for the federal government under the Community Development Block Grant program. When the loans are repaid the monies revert to the U.S. Treasury.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed in Thousands)

ASSETS	EXPENDABLE TRUST	NONEXPENDABLE TRUST	PENSION TRUST	AGENCY	TOTALS JUNE 30, 1991	TOTALS JUNE 30, 1990
CASH AND CASH EQUIVALENTS	$ 729,317	$ 36,444	$ 566,703	$ 207,741	$ 1,540,205	$ 1,051,232
CASH ON DEPOSIT WITH FISCAL AGENT	642,378				642,378	681,295
INVESTMENTS (Note 1)		108,086	8,036,444	149,988	8,294,518	7,826,141
RECEIVABLES:						
INTEREST AND DIVIDENDS		1,842	118,594	1,387	121,823	113,483
DUE FROM SALE OF INVESTMENTS		1,118	106,642		107,760	4,855
DUE FROM OTHER GOVERNMENTS		10,849	13,972		24,821	21,469
NOTES RECEIVABLE		10,599			10,599	6,667
OTHER, net of allowance for uncollectibles of $17,806 in 1990 and $18,634 in 1989 (Note 2)	63,772	1		121,575	185,348	185,348
INTERFUND RECEIVABLES (Note 2)	232	3,326	5,619	5,109	14,286	15,673
MACHINERY AND EQUIPMENT, at cost		47			47	45
LESS ACCUMULATED DEPRECIATION		(16)			(16)	(13)
TOTAL ASSETS	$ 1,435,699	$ 172,296	$ 8,847,974	$ 485,800	$ 10,941,769	$ 9,906,195
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
WARRANTS PAYABLE	$ 6,476	$ 1,316	$ 11,764	$ 14,670	$ 34,226	$ 17,804
ACCOUNTS PAYABLE AND ACCRUALS	7,365	2,255	5,674	246,122	261,416	275,609
INTERFUND PAYABLES (Note 2)	159,675	3,331			163,006	154,865
DEFERRED REVENUE	2,900	35			2,935	1,862
MEMBERS DEPOSITS	565,337				565,337	391,681
AMOUNTS HELD IN CUSTODY FOR OTHERS				202,008	202,008	125,991
ADVANCES FROM FEDERAL GOVERNMENT		1,345		23,000	24,345	25,522
TOTAL LIABILITIES	741,753	8,282	17,438	485,800	1,253,273	993,334
FUND BALANCES:						
RESERVED FOR BOARD OF EQUALIZATION LOAN FUND		14,244			14,244	16,571
RESERVED FOR PENSION BENEFITS			8,830,536		8,830,536	8,020,649
RESERVED FOR CHAIRS OF EXCELLENCE		113,726			113,726	107,288
RESERVED FOR UNEMPLOYMENT COMPENSATION BENEFITS	690,949				690,949	734,450
RESERVED FOR GUARANTEED STUDENT LOANS		30,560			30,560	26,860
RESERVED FOR SCHOLARSHIPS AND TEACHER LOANS		3,332			3,332	3,173
UNRESERVED:						
DESIGNATED FOR TRUST PURPOSES	2,997	2,152			5,149	3,840
TOTAL FUND BALANCES	693,946	164,014	8,830,536		9,688,496	8,912,861
TOTAL LIABILITIES AND FUND BALANCES	$ 1,435,699	$ 172,296	$ 8,847,974	$ 485,800	$ 10,941,769	$ 9,906,195

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed in Thousands)

ASSETS	EMPLOYMENT SECURITY	LOCAL GOVERNMENT INVESTMENT	EMPLOYEE FLEXIBLE BENEFITS	TOTALS JUNE 30, 1991	TOTALS JUNE 30, 1990
CASH AND CASH EQUIVALENTS	$ 1,250	$ 726,263	$ 1,804	$ 729,317	$ 545,889
CASH ON DEPOSIT WITH FISCAL AGENT	642,378			642,378	681,295
RECEIVABLES, net of allowance for uncollectibles of $14,823 in 1991 and $14,006 in 1990 (Note 2)	63,771		1	63,772	63,788
INTERFUND RECEIVABLE (Note 2)	148	3	81	232	352
TOTAL ASSETS	$ 707,547	$ 726,266	$ 1,886	$ 1,435,699	$ 1,291,324
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
WARRANTS PAYABLE	$ 6,378		$ 98	$ 6,476	$ 4,380
ACCOUNTS PAYABLE AND ACCRUALS	7,320		45	7,365	5,416
INTERFUND PAYABLES (Note 2)		$ 159,675		159,675	151,691
DEFERRED REVENUE	2,900			2,900	1,848
MEMBERS DEPOSITS		565,033	304	565,337	391,681
TOTAL LIABILITIES	16,598	724,708	447	741,753	555,016
FUND BALANCES:					
RESERVED FOR UNEMPLOYMENT COMPENSATION BENEFITS	690,949			690,949	734,480
UNRESERVED:					
DESIGNATED FOR TRUST PURPOSES		1,558	1,439	2,997	1,828
TOTAL FUND BALANCES	690,949	1,558	1,439	693,946	736,308
TOTAL LIABILITIES AND FUND BALANCES	$ 707,547	$ 726,266	$ 1,886	$ 1,435,699	$ 1,291,324

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for fiscal year ended June 30, 1990)

(Expressed in Thousands)

	EMPLOYMENT SECURITY	LOCAL GOVERNMENT INVESTMENT	EMPLOYEE FLEXIBLE BENEFITS	TOTALS FOR THE YEAR ENDED JUNE 30, 1991	TOTALS FOR THE YEAR ENDED JUNE 30, 1990
REVENUES:					
EMPLOYER PREMIUMS	$ 212,663			$ 212,663	$ 218,554
INTEREST INCOME	57,919	$ 50,641		108,560	105,816
FEDERAL	16,823			16,823	14,193
OTHER			$ 1,339	1,339	1,107
TOTAL REVENUES	287,405	50,641	1,339	339,385	339,670
EXPENDITURES:					
BENEFITS	330,936			330,936	240,196
INTEREST ON DEPOSITS		49,555		49,555	47,536
ADMINISTRATIVE FEES		625	531	1,156	911
TOTAL EXPENDITURES	330,936	50,180	531	381,647	288,643
EXCESS OF REVENUES OVER EXPENDITURES	(43,531)	461	808	(42,262)	51,027
OTHER FINANCING (USES):					
OPERATING TRANSFER (TO) GENERAL FUND			(100)	(100)	(94)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	(43,531)	461	708	(42,362)	50,933
FUND BALANCES, JULY 1 (Note 2)	734,480	1,097	731	736,308	685,375
FUND BALANCES, JUNE 30	$ 690,949	$ 1,558	$ 1,439	$ 693,946	$ 736,308

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINING BALANCE SHEET
NONEXPENDABLE AND PENSION TRUST FUNDS
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed in Thousands)

ASSETS	NONEXPENDABLE TRUST: STUDENT ASSISTANCE CORPORATION	BOARD OF EQUALIZATION LOAN	CHAIRS OF EXCELLENCE	SUB-TOTAL	PENSION TRUST	TOTALS: JUNE 30, 1991	TOTALS: JUNE 30, 1990
CURRENT ASSETS:							
CASH AND CASH EQUIVALENTS	$ 19,718	$ 10,643	$ 6,083	$ 36,444	$ 566,703	$ 603,147	$ 321,568
SHORT-TERM INVESTMENTS					108,843	108,843	188,557
RECEIVABLES:							
INTEREST AND DIVIDENDS	77		1,765	1,842	118,594	120,436	112,105
DUE FROM SALE OF INVESTMENTS			1,118	1,118	106,642	107,760	4,855
DUE FROM OTHER GOVERNMENTS	3,749	7,100		10,849	13,972	24,821	21,469
NOTES RECEIVABLE	10,599			10,599		10,599	6,667
OTHER	1			1		1	2
INTERFUND RECEIVABLES (Note 2)	3,326			3,326	5,619	8,945	10,420
TOTAL CURRENT ASSETS	37,470	17,743	8,966	64,179	920,373	984,552	665,643
OTHER ASSETS:							
LONG-TERM INVESTMENTS, at cost or amortized cost			108,086	108,086	7,927,601	8,035,687	7,544,488
MACHINERY AND EQUIPMENT, at cost	47			47		47	45
LESS ACCUMULATED DEPRECIATION	(16)			(16)		(16)	(13)
TOTAL FIXED ASSETS	31			31		31	32
TOTAL ASSETS	$ 37,501	$ 17,743	$ 117,052	$ 172,296	$ 8,847,974	$ 9,020,270	$ 8,210,163
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
WARRANTS PAYABLE	$ 1,276	$ 40		$ 1,316	$ 11,764	$ 13,080	$ 11,217
ACCOUNTS PAYABLE AND ACCRUALS	948	1,307		2,255	5,674	7,929	18,077
INTERFUND PAYABLES (Note 2)	5		$ 3,326	3,331		3,331	3,174
DEFERRED REVENUE	35			35		35	14
ADVANCE FROM FEDERAL GOVERNMENT	1,345			1,345		1,345	1,128
TOTAL LIABILITIES	3,609	1,347	3,326	8,282	17,438	25,720	33,610
FUND BALANCES:							
RESERVED FOR BOARD OF EQUALIZATION LOAN		14,244		14,244		14,244	16,571
RESERVED FOR PENSION BENEFITS					8,830,536	8,830,536	8,020,649
RESERVED FOR CHAIRS OF EXCELLENCE			113,726	113,726		113,726	107,288
RESERVED FOR GUARANTEED STUDENT LOANS	30,560			30,560		30,560	26,860
RESERVED FOR SCHOLARSHIPS AND TEACHER LOANS	3,332			3,332		3,332	3,173
UNRESERVED DESIGNATED FOR TRUST PURPOSES		2,152		2,152		2,152	2,012
TOTAL FUND BALANCES	33,892	16,396	113,726	164,014	8,830,536	8,994,550	8,176,553
TOTAL LIABILITIES AND FUND BALANCES	$ 37,501	$ 17,743	$ 117,052	$ 172,296	$ 8,847,974	$ 9,020,270	$ 8,210,163

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
NONEXPENDABLE AND PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	NONEXPENDABLE TRUST					TOTALS FOR THE YEAR ENDED	
	STUDENT ASSISTANCE CORPORATION	BOARD OF EQUALIZATION LOAN	CHAIRS OF EXCELLENCE	SUB-TOTAL	PENSION TRUST	JUNE 30, 1991	JUNE 30, 1990
OPERATING REVENUES:							
MEMBER CONTRIBUTIONS					$ 100,587	$ 100,587	$ 95,957
STATE CONTRIBUTIONS					256,168	256,168	324,725
POLITICAL SUBDIVISION CONTRIBUTIONS					29,193	29,193	32,023
INTEREST INCOME	$ 1,734	$ 140		$ 1,874	386,297	388,171	348,683
FOREIGN INVESTMENT INCOME					37,753	37,753	36,960
DIVIDEND INCOME					78,821	78,821	69,184
NET INCOME FROM INVESTMENT TRANSACTIONS			$ 10,011	10,011	169,624	179,635	272,585
DISCOUNT AMORTIZATION					80,489	80,489	73,108
OTHER	5,982			5,982		5,982	5,848
TOTAL OPERATING REVENUES	7,716	140	10,011	17,867	1,138,932	1,156,799	1,259,073
OPERATING EXPENSES:							
BENEFITS					309,661	309,661	278,175
DEPRECIATION AND AMORTIZATION	4			4		4	4
REFUNDS					19,384	19,384	20,561
AWARDS			5,678	5,678		5,678	4,855
LOAN CANCELLATIONS	177			177		177	219
ADMINISTRATIVE FEES	4,577		172	4,749		4,749	4,180
TOTAL OPERATING EXPENSES	4,758		5,850	10,608	329,045	339,653	307,994
OPERATING INCOME	2,958	140	4,161	7,259	809,887	817,146	951,079
NONOPERATING REVENUES (EXPENSES):							
OPERATING GRANTS	1,285			1,285		1,285	1,606
GRANTS EXPENSE	(14,096)	(2,327)		(16,423)		(16,423)	(14,986)
TOTAL NONOPERATING(EXPENSES)	(12,811)	(2,327)		(15,138)		(15,138)	(13,380)
INCOME(LOSS) BEFORE OPERATING TRANSFERS	(9,853)	(2,187)	4,161	(7,879)	809,887	802,008	937,699
OPERATING TRANSFER FROM:							
GENERAL FUND	13,712			13,712		13,712	24,641
COLLEGE AND UNIVERSITY FUNDS			1,000	1,000		1,000	1,583
NET INCOME (LOSS)	3,859	(2,187)	5,161	6,833	809,887	816,720	963,923
OTHER CHANGES IN FUND BALANCE:							
CONTRIBUTIONS FROM PRIVATE SOURCES			1,277	1,277		1,277	2,958
NET CHANGE IN FUND BALANCES	3,859	(2,187)	6,438	8,110	809,887	817,997	966,881
FUND BALANCES, JULY 1	30,033	18,583	107,288	155,904	8,020,649	8,176,553	7,209,672
FUND BALANCES, JUNE 30	$ 33,892	$ 16,396	$ 113,726	$ 164,014	$ 8,830,536	$ 8,994,550	$ 8,176,553

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONEXPENDABLE AND PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1991
(With comparative totals for the fiscal year ended June 30, 1990)

(Expressed in Thousands)

	NONEXPENDABLE TRUST					TOTALS FOR THE YEAR ENDED	
	STUDENT ASSISTANCE CORPORATION	BOARD OF EQUALIZATION LOAN	CHAIRS OF EXCELLENCE	SUB-TOTAL	PENSION TRUST	JUNE 30, 1991	JUNE 30, 1990
CASH FLOWS FROM OPERATING ACTIVITIES:							
OPERATING INCOME	$ 2,958	$ 140	$ 4,161	$ 7,259	$ 809,887	$ 817,146	$ 951,079
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:							
DEPRECIATION AND AMORTIZATION	4		(82)	(78)	(80,489)	(80,567)	(47,123)
INVESTMENT INCOME			(9,929)	(9,929)	(286,198)	(296,127)	(378,652)
INTEREST INCOME					(386,297)	(386,297)	(346,644)
CHANGE IN ASSETS AND LIABILITIES:							
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(6,363)	(739)		(7,102)	(205)	(7,307)	(2,202)
(INCREASE)DECREASE IN INTERFUND RECEIVABLES	(158)			(158)	1,633	1,475	(1,058)
INCREASE(DECREASE) IN WARRANTS PAYABLE	910	40		950	913	1,863	(974)
INCREASE(DECREASE) IN ACCOUNTS PAYABLE	200	479		679	(562)	117	(2,122)
INCREASE(DECREASE) IN INTERFUND PAYABLE			159	159		159	1,047
INCREASE(DECREASE) IN DEFERRED REVENUE	20			20		20	(1)
TOTAL ADJUSTMENTS	(5,387)	(220)	(9,852)	(15,459)	(751,205)	(766,664)	(777,729)
NET CASH FROM OPERATING ACTIVITIES	(2,429)	(80)	(5,691)	(8,200)	58,682	50,482	173,350
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
OPERATING GRANTS RECEIVED	1,285			1,285		1,285	(13,380)
OPERATING GRANTS PAID	(14,096)	(2,327)		(16,423)		(16,423)	
OPERATING TRANSFERS IN	13,712		1,000	14,712		14,712	26,224
CAPITAL CONTRIBUTIONS			1,277	1,277		1,277	2,958
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	901	(2,327)	2,277	851		851	15,802
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
PURCHASE OF FIXED ASSETS	(3)			(3)		(3)	(16)
PROCEEDS FROM SALE OF FIXED ASSETS							1
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(3)			(3)		(3)	(15)
CASH FLOWS FROM INVESTING ACTIVITIES:							
PURCHASE OF LONG-TERM INVESTMENTS			(45,252)	(45,252)	(3,729,953)	(3,775,205)	(3,836,540)
PROCEEDS FROM SALE OF LONG-TERM INVESTMENTS			42,498	42,498	3,428,725	3,471,223	3,104,255
INVESTMENT INCOME RECEIVED			8,589	8,589	114,159	122,748	117,978
INTEREST RECEIVED					380,494	380,494	328,984
INTEREST PAID			(273)	(273)		(273)	(257)
NET CASH FROM INVESTING ACTIVITIES			5,562	5,562	193,425	198,987	(285,580)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,531)	(2,407)	2,148	(1,790)	252,107	249,317	(96,443)
NET DISCOUNT AMORTIZATION OF CASH EQUIVALENTS					31,262	31,262	
CASH AND CASH EQUIVALENTS, JULY 1	21,249	13,050	3,935	38,234	283,334	321,568	418,011
CASH AND CASH EQUIVALENTS, JUNE 30	$ 19,718	$ 10,643	$ 6,083	$ 36,444	$ 566,703	$ 603,147	$ 321,568

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed in Thousands)

ASSETS	LOCAL GOVERNMENT	CONTINGENT REVENUE	DEFERRED COMPENSATION (Note 5)	BOND REFUNDING (Note 3)	COMMUNITY DEVELOPMENT	TOTALS JUNE 30, 1991	TOTALS JUNE 30, 1990
CASH AND CASH EQUIVALENTS	$ 134,796	$ 67,411		$ 70	$ 5,464	$ 207,741	$ 183,775
INVESTMENTS			$ 56,581	93,407		149,988	93,096
RECEIVABLES:							
INTEREST AND DIVIDENDS		9		1,378		1,387	1,378
OTHER, net of allowance for uncollectibles of $4,533 in 1991 and $3,800 in 1990 (Note 2)	104,039				17,536	121,575	121,558
INTERFUND RECEIVABLES (Note 2)		4,950	159			5,109	4,901
TOTAL ASSETS	$ 238,835	$ 72,370	$ 56,740	$ 94,855	$ 23,000	$ 485,800	$ 404,708
LIABILITIES							
LIABILITIES:							
WARRANTS PAYABLE	$ 167	$ 14,503				$ 14,670	$ 2,207
ACCOUNTS PAYABLE AND ACCRUALS	238,668	7,454				246,122	252,116
AMOUNTS HELD IN CUSTODY FOR OTHERS		50,413	$ 56,740	$ 94,855		202,008	125,991
ADVANCES FROM FEDERAL GOVERNMENT					$ 23,000	23,000	24,394
TOTAL LIABILITIES	$ 238,835	$ 72,370	$ 56,740	$ 94,855	$ 23,000	$ 485,800	$ 404,708

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 1991

(Expressed in Thousands)

	BALANCE JULY 1,1990	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1991
LOCAL GOVERNMENT FUND				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 135,568	$ 1,624,586	$ 1,625,358	$ 134,796
ACCOUNTS RECEIVABLE	100,646	106,999	103,606	104,039
TOTAL ASSETS	$ 236,214	$ 1,731,585	$ 1,728,964	$ 238,835
LIABILITIES				
WARRANTS PAYABLE	$ 296	$ 365,588	$ 365,717	$ 167
ACCOUNTS PAYABLE AND ACCRUALS	235,918	1,450,849	1,448,099	238,668
TOTAL LIABILITIES	$ 236,214	$ 1,816,437	$ 1,813,816	$ 238,835
CONTINGENT REVENUE FUND				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 44,664	$ 488,506	$ 465,759	$ 67,411
ACCOUNTS RECEIVABLE		9		9
INTERFUND RECEIVABLES (Note 2)	4,723	4,950	4,723	4,950
TOTAL ASSETS	$ 49,387	$ 493,465	$ 470,482	$ 72,370
LIABILITIES				
WARRANTS PAYABLE	$ 1,911	$ 281,342	$ 268,750	$ 14,503
ACCOUNTS PAYABLE AND ACCRUALS	16,198	527,028	535,772	7,454
AMOUNTS HELD IN CUSTODY FOR OTHERS	31,278	216,858	197,723	50,413
TOTAL LIABILITIES	$ 49,387	$ 1,025,228	$ 1,002,245	$ 72,370
DEFERRED COMPENSATION FUND				
ASSETS				
INVESTMENTS	$ 51,174	$ 8,270	$ 2,863	$ 56,581
INTERFUND RECEIVABLE (Note 2)	178	159	178	159
TOTAL ASSETS	$ 51,352	$ 8,429	$ 3,041	$ 56,740
LIABILITIES				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 51,352	$ 8,429	$ 3,041	$ 56,740

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 1991

(Expressed in Thousands)

BOND REFUNDING	BALANCE JULY 1, 1990	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1991
ASSETS				
CASH AND CASH EQUIVALENTS	$ 61	$ 63,446	$ 63,437	$ 70
INVESTMENTS	41,922	52,346	861	93,407
ACCOUNTS RECEIVABLE	1,378	1,378	1,378	1,378
TOTAL ASSETS	$ 43,361	$ 117,170	$ 65,676	$ 94,855
LIABILITIES				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 43,361	$ 61,206	$ 9,712	$ 94,855
COMMUNITY DEVELOPMENT				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 3,482	$ 4,861	$ 2,879	$ 5,464
ACCOUNTS RECEIVABLE	20,912	2,699	6,075	17,536
TOTAL ASSETS	$ 24,394	$ 7,560	$ 8,954	$ 23,000
LIABILITIES				
ADVANCES FROM FEDERAL GOVERNMENT	$ 24,394	$ 1,196	$ 2,590	$ 23,000
TOTALS-ALL AGENCY FUNDS				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 183,775	$ 2,181,399	$ 2,157,433	$ 207,741
INVESTMENTS	93,096	60,616	3,724	149,988
ACCOUNTS RECEIVABLE	122,936	111,085	111,059	122,962
INTERFUND RECEIVABLES (Note 2)	4,901	5,109	4,901	5,109
TOTAL ASSETS	$ 404,708	$ 2,358,209	$ 2,277,117	$ 485,800
LIABILITIES				
WARRANTS PAYABLE	$ 2,207	$ 646,930	$ 634,467	$ 14,670
ACCOUNTS PAYABLE AND ACCRUALS	252,116	1,977,877	1,983,871	246,122
AMOUNTS HELD IN CUSTODY FOR OTHERS	125,991	286,493	210,476	202,008
ADVANCES FROM FEDERAL GOVERNMENT	24,394	1,196	2,590	23,000
TOTAL LIABILITIES	$ 404,708	$ 2,912,496	$ 2,831,404	$ 485,800

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is maintained to account for fixed assets acquired for general governmental purposes. These include all fixed assets except those of the Enterprise, Internal Service, Nonexpendable Trust and College and University Funds.

STATE OF TENNESSEE
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 1991

(Expressed in Thousands)

GENERAL FIXED ASSETS:	
LAND	$ 85,376
STRUCTURES AND IMPROVEMENTS	733,620
MACHINERY AND EQUIPMENT	259,350
CONSTRUCTION IN PROGRESS	61,149
TOTAL GENERAL FIXED ASSETS	$ 1,139,495
INVESTMENT IN GENERAL FIXED ASSETS FROM:	
CAPITAL PROJECTS FUND:	
STATE APPROPRIATIONS	$ 68,741
GENERAL OBLIGATION BONDS	256,893
FEDERAL GRANTS	25,797
LOCAL GOVERNMENT	2,691
OTHER	4,228
GENERAL FUND REVENUES	151,668
SPECIAL REVENUE FUNDS REVENUES	113,151
DONATIONS	7,252
LAND, STRUCTURES AND IMPROVEMENTS ACQUIRED PRIOR TO JULY 1, 1984	509,074
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	$ 1,139,495

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
JUNE 30, 1991

(Expressed in Thousands)

FUNCTION AND ACTIVITY	LAND	STRUCTURES AND IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
GENERAL GOVERNMENT:				
LEGISLATIVE			$ 1,169	$ 1,169
CONSTITUTIONAL OFFICES			2,941	2,941
ADMINISTRATION	$ 7,778	$ 5,652	6,232	19,662
REVENUE			3,444	3,444
TOTAL GENERAL GOVERNMENT	7,778	5,652	13,786	27,216
EDUCATION	733	73,860	8,925	83,518
HEALTH AND SOCIAL SERVICES:				
VETERANS AFFAIRS	1,617	782	62	2,461
EMPLOYMENT SECURITY	476	2,859	7,215	10,550
LABOR			1,034	1,034
MENTAL HEALTH AND MENTAL RETARDATION	2,397	128,377	9,603	140,377
HEALTH AND ENVIRONMENT	204	14,222	10,128	24,554
HUMAN SERVICES	186	5,824	12,110	18,120
TOTAL HEALTH AND SOCIAL SERVICES	4,880	152,064	40,152	197,096
LAW, JUSTICE AND PUBLIC SAFETY:				
JUDICIAL			4,335	4,335
CORRECTION	6,393	264,172	22,731	293,296
YOUTH DEVELOPMENT	175	26,243	2,148	28,566
MILITARY	2,021	59,569	1,965	63,555
BUREAU OF CRIMINAL INVESTIGATION			10,014	10,014
SAFETY	333	10,636	26,908	37,877
TOTAL LAW, JUSTICE AND PUBLIC SAFETY	8,922	360,620	68,101	437,643
RECREATION AND RESOURCES DEVELOPMENT:				
AGRICULTURE	3	701	1,711	2,415
TOURIST DEVELOPMENT			254	254
CONSERVATION	35,413	107,272	20,853	163,538
WILDLIFE RESOURCES	25,651	7,460	7,043	40,154
ECONOMIC AND COMMUNITY DEVELOPMENT			4,572	4,572
TOTAL RECREATION AND RESOURCES DEVELOPMENT	61,067	115,433	34,433	210,933
REGULATION OF BUSINESS AND PROFESSIONS:				
COMMERCE AND INSURANCE			811	811
FINANCIAL INSTITUTIONS			194	194
TOTAL REGULATION OF BUSINESS AND PROFESSIONS			1,005	1,005
TRANSPORTATION	1,996	25,991	92,948	120,935
TOTALS ALLOCATED TO FUNCTIONS	$ 85,376	$ 733,620	$ 259,350	1,078,346
CONSTRUCTION IN PROGRESS				61,149
TOTAL GENERAL FIXED ASSETS (Note 2)				$ 1,139,495

See accompanying Notes to the Financial Statements

STATE OF TENNESSEE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 1991

(Expressed in Thousands)

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS, JULY 1,1990	ADDITIONS	RETIREMENTS	GENERAL FIXED ASSETS, JUNE 30, 1991
GENERAL GOVERNMENT:				
LEGISLATIVE	$ 816	$ 418	$ 65	$ 1,169
CONSTITUTIONAL OFFICES	2,840	337	236	2,941
ADMINISTRATION	58,507	8,359	47,204	19,662
REVENUE	3,903	62	521	3,444
TOTAL GENERAL GOVERNMENT	66,066	9,176	48,026	27,216
EDUCATION	82,392	1,817	691	83,518
HEALTH AND SOCIAL SERVICES:				
VETERANS AFFAIRS	761	1,701	1	2,461
EMPLOYMENT SECURITY	12,910	135	2,495	10,550
LABOR	977	59	2	1,034
MENTAL HEALTH AND MENTAL RETARDATION	139,595	1,038	256	140,377
HEALTH AND ENVIRONMENT	36,558	888	12,892	24,554
HUMAN SERVICES	16,081	2,260	221	18,120
TOTAL HEALTH AND SOCIAL SERVICES	206,882	6,081	15,867	197,096
LAW, JUSTICE AND PUBLIC SAFETY:				
JUDICIAL	3,877	637	179	4,335
CORRECTION	246,143	47,278	125	293,296
YOUTH DEVELOPMENT	19,462	9,214	110	28,566
MILITARY	61,523	2,210	178	63,555
BUREAU OF CRIMINAL INVESTIGATION	10,145	1,421	1,552	10,014
SAFETY	37,978	3,526	3,627	37,877
TOTAL LAW, JUSTICE AND PUBLIC SAFETY	379,128	64,286	5,771	437,643
RECREATION AND RESOURCES DEVELOPMENT:				
AGRICULTURE	6,992	185	4,762	2,415
TOURIST DEVELOPMENT	262	13	21	254
CONSERVATION	160,613	4,645	1,720	163,538
WILDLIFE RESOURCES	36,414	5,443	1,703	40,154
ECONOMIC AND COMMUNITY DEVELOPMENT	4,277	398	103	4,572
TOTAL RECREATION AND RESOURCES DEVELOPMENT	208,558	10,684	8,309	210,933
REGULATION OF BUSINESS AND PROFESSIONS:				
COMMERCE AND INSURANCE	751	70	10	811
FINANCIAL INSTITUTIONS	193	1		194
TOTAL REGULATION OF BUSINESS AND PROFESSIONS	944	71	10	1,005
TRANSPORTATION	114,621	13,251	6,937	120,935
CONSTRUCTION IN PROGRESS	28,636	85,252	52,739	61,149
TOTAL GENERAL FIXED ASSETS(Note 1 and 2)	$ 1,087,227	$ 190,618	$ 138,350	$ 1,139,495

See accompanying Notes to the Financial Statements

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

The General Long-term Obligations Account Group is maintained to account for the outstanding principal balances of the State's general obligation bonds, for arbitrage rebate payable in future years, for claims payable in future years, for accrued annual and compensatory leave for employees paid from the Governmental Fund Types, and for capital lease obligations.

STATE OF TENNESSEE
SCHEDULE OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS
FOR THE YEAR ENDED JUNE 30, 1991

(Expressed in Thousands)

	BALANCE JULY 1, 1990	GENERAL OBLIGATION BONDS ISSUED	GENERAL OBLIGATION BONDS (RETIRED)	GENERAL OBLIGATION BONDS (DEFEASED)	DEBT SERVICE FUND OPERATIONS	OTHER INCREASES (DECREASES)	BALANCE JUNE 30, 1991
AMOUNT AVAILABLE IN DEBT SERVICE FUND	$ 2,193				$ (142)		$ 2,051
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS	644,575	$ 152,325	$ (61,017)	$ (50,000)	142	$ 44,102	730,127
TOTAL AVAILABLE AND TO BE PROVIDED	$ 646,768	$ 152,325	$ (61,017)	$ (50,000)	$ -	$ 44,102	$ 732,178
GENERAL OBLIGATION DEBT PAYABLE (Note 3)	$ 536,569	$ 152,325	$ (61,017)	$ (50,000)			$ 577,877
ARBITRAGE REBATE PAYABLE	4,891					$ 867	5,758
CLAIMS PAYABLE						38,500	38,500
ACCRUED ANNUAL AND COMPENSATORY LEAVE	105,299					4,744	110,043
CAPITAL LEASE OBLIGATIONS	9					(9)	
TOTAL GENERAL LONG-TERM OBLIGATIONS	$ 646,768	$ 152,325	$ (61,017)	$ (50,000)	$ -	$ 44,102	$ 732,178

See accompanying Notes to the Financial Statements

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COLLEGE AND UNIVERSITY FUNDS

The College and University Funds are used to account for all transactions relating to public institutions of higher education and the state's area vocational-technical schools. These include seven universities, twelve community colleges, two technical institutes and twenty-seven area vocational-technical schools. These institutions maintain their own financial records which are not a part of the central accounting system operated by the Department of Finance and Administration.

Two governing boards are responsible for the operations of these institutions - the University of Tennessee Board of Trustees and the Tennessee Board of Regents. Coordination between these boards for such things as budgetary and capital outlay requests, the need for and location of new education institutions, and the approval of new academic and degree programs is provided by the Tennessee Higher Education Commission.

The University of Tennessee Board of Trustees - The University of Tennessee was first established in 1794 by the Legislature of the Federal Territory. Since that time it has grown into an institution of twenty-four different colleges and schools. The locations of its four primary campuses, various experimental stations and extension services have made the university state-wide in physical presence as well as in services. The main campus is located in Knoxville. The other primary campuses are located in Memphis, Martin and Chattanooga.

Tennessee Board of Regents - The Tennessee University and Community College System was created by the General Assembly in 1972. Its member institutions (six universities, twelve community colleges, two technical institutes, and twenty-seven area vocational-technical schools) serve the state and its citizenry by providing education opportunities, research, continuing education and public activities. As a system, the institutions span the state and operate as a coordinated network of public education with each campus offering unique characteristics and services. The system consists of the following institutions:

UNIVERSITIES

Austin Peay State University	Clarksville
East Tennessee State University	Johnson City
Memphis State University	Memphis
Middle Tennessee State University	Murfreesboro
Tennessee State University	Nashville
Tennessee Technological University	Cookeville

COMMUNITY COLLEGES

Chattanooga State Technical Community College	Chattanooga
Cleveland State Community College	Cleveland
Columbia State Community College	Columbia
Dyersburg State Community College	Dyersburg
Jackson State Community College	Jackson
Motlow State Community College	Tullahoma
Northeast State Technical Community College	Blountville
Pellissippi State Technical Community College	Knoxville
Roane State Community College	Harriman
Shelby State Community College	Memphis
Volunteer State Community College	Gallatin
Walters State Community College	Morristown

The community college movement is relatively new in Tennessee. Emerging from legislative study in the early 1960's, nine of the twelve existing colleges were established by the General Assembly between 1965 and 1969. The locations of these institutions were determined by population need patterns. An act of the 1973 General Assembly changed the Chattanooga State Technical Institute to Chattanooga State Technical Community College, representing the 10th community college in the state. The technical institute located in Knoxville was changed to a community college effective July 1, 1988. The technical institute located in Blountville was changed to a community college effective July 1, 1990. A broad range of two-year associate degree programs and one-to-two year certificate of proficiency programs is offered by each college.

STATE TECHNICAL INSTITUTES

Effective July 1, 1983, the governance of the state technical institutes was transferred from the State Department of Education to the Tennessee Board of Regents. The names and locations of the state technical institutes are:

Nashville State Technical Institute	Nashville
State Technical Institute at Memphis	Memphis

Various two-year associate degree programs are available at the technical institutes. In addition, special industrial and community service courses are offered as the demand arises from interested groups.

STATE AREA VOCATIONAL-TECHNICAL SCHOOLS

The state area vocational-technical schools were transferred from the State Department of Education to the Tennessee Board of Regents effective July 1, 1983. The twenty-seven area schools are located in the following Tennessee cities:

Athens	McMinnville
Chattanooga	Memphis
Covington	Morristown
Crossville	Murfreesboro
Dickson	Nashville
Elizabethton	Newbern
Harriman	Oneida
Hartsville	Paris
Hohenwald	Pulaski
Jacksboro	Ripley
Jackson	Savannah
Knoxville	Shelbyville
Livingston	Whiteville
McKenzie	

The purpose of the area vocational-technical schools is to provide occupational and technical training for current and future employees of existing and prospective industries and businesses of this state.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
JUNE 30, 1991
(With comparative totals for June 30, 1990)

(Expressed in Thousands)

ASSETS	CURRENT FUNDS UNRESTRICTED	CURRENT FUNDS RESTRICTED	LOAN	ENDOWMENT AND SIMILAR	LIFE INCOME
CASH AND CASH EQUIVALENTS	$ 48,022	$ 6,812	$ 2,579	$ 11,479	$ 229
CASH ON DEPOSIT WITH FISCAL AGENT					
INVESTMENTS	77,695	372		102,604	18,885
ACCOUNTS RECEIVABLE, net of allowance for uncollectibles of $42,387 in 1991 and $47,264 in 1990	74,198	48,112	1,437	85	66
NOTES RECEIVABLE, net of allowance for uncollectibles of $7,583 in 1991 and $7,806 in 1990		10	43,085		
INTERFUND RECEIVABLES (Note 2)	68,452	6,097	1,749	16,127	
INVENTORIES, at cost	19,488				
PREPAID EXPENSES	3,024	7			
LAND, at cost					
STRUCTURES AND IMPROVEMENTS, at cost					
MACHINERY AND EQUIPMENT, at cost					
CONSTRUCTION IN PROGRESS					
OTHER ASSETS	67	1	23		
TOTAL ASSETS	$ 290,946	$ 61,411	$ 48,873	$ 130,295	$ 19,180
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
ACCOUNTS PAYABLE	$ 49,454	$ 4,370	$ 1	$ 250	
ACCRUED LIABILITIES	95,693	960			
INTERFUND PAYABLES (Note 2)	3,804	2,789	2		$ 48
NOTES PAYABLE (Note 3)					
BONDS PAYABLE (Note 3)					
LEASE OBLIGATIONS PAYABLE (Note 3)					
DEFERRED REVENUE	35,257	17			
AMOUNTS HELD IN CUSTODY FOR OTHERS					
DEPOSITS PAYABLE	3,731	9			
OTHER	5,285				
TOTAL LIABILITIES	193,224	8,145	3	250	48
FUND EQUITY:					
NET INVESTMENT IN PLANT					
FUND BALANCE (Notes 1 and 2):					
RESERVED FOR:					
RELATED ASSETS	74,390				
ENCUMBRANCES	9,314				
U.S. GOVERNMENT GRANTS REFUNDABLE			39,426		
INSTITUTIONAL LOAN FUNDS			9,402		
ENDOWMENT				103,767	
TERM ENDOWMENT				30	
QUASI-ENDOWMENT				17,839	
LIFE INCOME					19,132
PLANT					
OTHER	5,816	53,266			
UNRESERVED:					
DESIGNATED:					
INSTITUTIONAL LOAN FUNDS			42		
QUASI-ENDOWMENT				8,409	
OTHER	12,126				
UNDESIGNATED	(3,924)				
TOTAL FUND EQUITY	97,722	53,266	48,870	130,045	19,132
TOTAL LIABILITIES AND FUND EQUITY	$ 290,946	$ 61,411	$ 48,873	$ 130,295	$ 19,180

See accompanying Notes to the Financial Statements

PLANT FUNDS				AGENCY	TOTALS	
UNEXPENDED	RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		JUNE 30, 1991	JUNE 30, 1990
$ 15,885	$ 931			$ 1,190	$ 87,127	$ 100,258
		$ 32,443			32,443	31,917
10,826	7,103	36,075		12,635	266,195	220,371
2,472	77	2,187	$ 83	479	129,196	108,983
					43,095	42,651
18,223	35,472	6,485		6,043	158,648	148,945
					19,488	18,755
					3,031	2,749
			65,676		65,676	61,942
			1,469,418		1,469,418	1,425,872
			712,159		712,159	665,688
			70,333		70,333	34,627
30			779	1,344	2,244	1,980
$ 47,436	$ 43,583	$ 77,190	$ 2,318,448	$ 21,691	$ 3,059,053	$ 2,864,738
$ 4,596	$ 106			$ 236	$ 59,013	$ 52,969
		$ 40	$ 5,156		101,849	98,469
					6,643	9,402
			58,518		58,518	36,932
			265,034		265,034	271,126
			1,694		1,694	2,456
					35,274	32,642
				21,455	21,455	18,000
					3,740	3,471
			83		5,368	4,351
4,596	106	40	330,485	21,691	558,588	529,818
			1,987,963		1,987,963	1,875,855
					74,390	67,430
					9,314	14,526
					39,426	38,794
					9,402	8,981
					103,767	96,629
					30	26
					17,839	18,029
					19,132	15,646
10,778	88	35,681			46,547	42,061
					59,082	55,918
					42	49
					8,409	6,304
32,062	43,389	7,449			95,026	87,843
		34,020			30,096	6,829
42,840	43,477	77,150	1,987,963		2,500,465	2,334,920
$ 47,436	$ 43,583	$ 77,190	$ 2,318,448	$ 21,691	$ 3,059,053	$ 2,864,738

SUPPLEMENTARY SCHEDULES

SCHEDULE 1

STATE OF TENNESSEE
DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS
JUNE 30, 1991

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30	GENERAL LONG-TERM DEBT			STATE LOAN PROGRAM FUND DEBT		
	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1992	$ 61,217	$ 38,679	$ 99,896	$ 3,355	$ 3,285	$ 6,640
1993	54,926	31,443	86,369	3,550	3,100	6,650
1994	54,926	28,254	83,180	3,715	2,903	6,618
1995	51,926	25,152	77,078	3,900	2,695	6,595
1996	46,401	22,151	68,552	3,775	2,474	6,249
1997	34,601	19,536	54,137	3,015	2,256	5,271
1998	29,861	17,465	47,326	3,070	2,079	5,149
1999	29,861	15,609	45,470	3,270	1,896	5,166
2000	29,861	13,737	43,598	3,465	1,700	5,165
2001	27,946	11,850	39,796	3,335	1,490	4,825
2002	27,946	10,092	38,038	3,530	1,293	4,823
2003	22,721	8,318	31,039	3,120	1,082	4,202
2004	22,721	6,868	29,589	3,310	891	4,201
2005	22,721	5,414	28,135	3,195	688	3,883
2006	22,721	3,954	26,675	1,930	488	2,418
2007	12,921	2,490	15,411	1,090	361	1,451
2008	7,300	1,681	8,981	1,160	279	1,439
2009	7,300	1,183	8,483	1,235	192	1,427
2010	5,000	685	5,685	1,325	99	1,424
2011	5,000	342	5,342			
TOTALS	$ 577,877	$ 264,903	$ 842,780	$ 54,345	$ 29,251	$ 83,596

STATE OF TENNESSEE
DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS
JUNE 30, 1991

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30	HOUSING DEVELOPMENT AGENCY DEBT (NOTE)			LOCAL DEVELOPMENT AUTHORITY DEBT		
	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1992	$ 34,820	$ 111,108	$ 145,928	$ 1,982	$ 3,778	$ 5,760
1993	39,442	111,676	151,118	2,147	3,614	5,761
1994	39,610	108,626	148,236	2,330	3,431	5,761
1995	40,906	105,432	146,338	2,532	3,228	5,760
1996	46,546	104,059	150,605	2,755	3,005	5,760
1997	45,571	102,537	148,108	2,768	2,758	5,526
1998	49,708	101,729	151,437	3,022	2,504	5,526
1999	46,868	100,752	147,620	2,815	2,296	5,111
2000	47,949	92,859	140,808	3,013	2,099	5,112
2001	42,196	85,259	127,455	2,084	1,885	3,969
2002	47,945	83,683	131,628	2,237	1,733	3,970
2003	56,602	81,494	138,096	2,397	1,570	3,967
2004	55,997	76,857	132,854	2,228	1,396	3,624
2005	54,113	74,025	128,138	2,312	1,231	3,543
2006	57,966	71,025	128,991	1,485	1,060	2,545
2007	60,113	66,292	126,405	1,596	948	2,544
2008	52,971	62,063	115,034	1,715	829	2,544
2009	52,716	58,112	110,828	1,843	701	2,544
2010	54,323	54,033	108,356	1,980	564	2,544
2011	55,233	52,195	107,428	2,065	417	2,482
2012	55,382	50,276	105,658	1,595	264	1,859
2013	52,746	45,766	98,512	942	182	1,124
2014	56,643	41,860	98,503	799	132	931
2015	59,483	35,591	95,074	805	79	884
2016	63,813	31,050	94,863			
2017	69,247	26,006	95,253			
2018	62,015	20,374	82,389			
2019	63,196	15,458	78,654			
2020	64,018	10,478	74,496			
2021	46,813	6,206	53,019			
2022	29,245	3,309	32,554			
2023	17,329	1,290	18,619			
2024	5,705	188	5,893			
TOTALS	$ 1,627,230	$ 1,991,668	$ 3,618,898	$ 49,447	$ 39,704	$ 89,151

NOTE: Tennessee Housing Development Agency debt principal above is less than that presented in the accompanying financial statements by $36,692. This amount, representing the accretion to date of interest on deep discount bonds, has been reported as bond principal in the financial statements; it is reported above as interest in those years (2005-2018) in which the bonds mature.

COLLEGE AND UNIVERSITY DEBT			TENNESSEE STATE SCHOOL BOND AUTHORITY DEBT(NOTE)			VETERANS' NURSING HOME DEBT		
PRINCIPAL	INTEREST	TOTAL REQUIREMENTS	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
$ 14,810	$ 12,682	$ 27,492		$ 4,400	$ 4,400	$ 46	$ 186	$ 232
15,736	16,283	32,019	$ 2,047	4,489	6,536	46	182	228
12,911	15,431	28,342	2,160	4,379	6,539	51	179	230
12,680	15,629	28,309	2,279	4,260	6,539	57	174	231
13,092	15,183	28,275	2,410	4,130	6,540	57	170	227
13,257	14,693	27,950	2,549	3,988	6,537	62	166	228
13,544	14,157	27,701	2,702	3,835	6,537	67	161	228
14,107	13,562	27,669	2,868	3,668	6,536	72	156	228
14,572	12,872	27,444	3,053	3,486	6,539	77	151	228
12,720	11,889	24,609	3,189	3,288	6,477	82	145	227
13,363	11,185	24,548	3,400	3,078	6,478	88	138	226
12,126	10,407	22,533	3,159	2,852	6,011	93	131	224
12,803	9,712	22,515	3,374	2,637	6,011	103	123	226
13,437	8,950	22,387	3,608	2,404	6,012	108	115	223
11,639	8,144	19,783	3,853	2,154	6,007	118	107	225
8,874	7,395	16,269	4,119	1,888	6,007	129	97	226
8,491	6,787	15,278	4,407	1,604	6,011	139	87	226
9,069	6,150	15,219	4,705	1,300	6,005	149	76	225
9,725	5,452	15,177	5,032	977	6,009	159	64	223
9,433	2,574	12,007	4,831	631	5,462	170	51	221
8,255	1,734	9,989	5,190	273	5,463	185	38	223
2,525	940	3,465				195	23	218
2,705	697	3,402				215	8	223
2,895	437	3,332						
395	159	554						
420	131	551						
450	102	552						
485	70	555						
515	36	551						
$ 265,034	$ 223,443	$ 488,477	$ 68,935	$ 59,721	$ 128,656	$ 2,468	$ 2,728	$ 5,196

STATE OF TENNESSEE
SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY
JUNE 30, 1991

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS		REVENUE BONDS	
	GENERAL LONG-TERM DEBT	STATE LOAN PROGRAM DEBT	HOUSING DEVELOPMENT AGENCY DEBT	LOCAL DEVELOPMENT AUTHORITY DEBT
1992	$ 99,896	$ 6,640	$ 145,928	$ 5,760
1993	86,369	6,650	151,118	5,761
1994	83,180	6,618	148,236	5,761
1995	77,078	6,595	146,338	5,760
1996	68,552	6,249	150,605	5,760
1997	54,137	5,271	148,108	5,526
1998	47,326	5,149	151,437	5,526
1999	45,470	5,166	147,620	5,111
2000	43,598	5,165	140,808	5,112
2001	39,796	4,825	127,455	3,969
2002	38,038	4,823	131,628	3,970
2003	31,039	4,202	138,096	3,967
2004	29,589	4,201	132,854	3,624
2005	28,135	3,883	128,138	3,543
2006	26,675	2,418	128,991	2,545
2007	15,411	1,451	126,405	2,544
2008	8,981	1,439	115,034	2,544
2009	8,483	1,427	110,828	2,544
2010	5,685	1,424	108,356	2,544
2011	5,342		107,428	2,482
2012			105,658	1,859
2013			98,512	1,124
2014			98,503	931
2015			95,074	884
2016			94,863	
2017			95,253	
2018			82,389	
2019			78,654	
2020			74,496	
2021			53,019	
2022			32,554	
2023			18,619	
2024			5,893	
TOTALS	$ 842,780	$ 83,596	$ 3,618,898	$ 89,151

SCHEDULE 3

REVENUE BONDS			
COLLEGE AND UNIVERSITY DEBT	TENNESSEE STATE SCHOOL BOND AUTHORITY DEBT	VETERANS' NURSING HOME DEBT	TOTAL REQUIREMENTS
$ 27,492	$ 4,400	$ 232	$ 290,348
32,019	6,536	228	288,681
28,342	6,539	230	278,906
28,309	6,539	231	270,850
28,275	6,540	227	266,208
27,950	6,537	228	247,757
27,701	6,537	228	243,904
27,669	6,536	228	237,800
27,444	6,539	228	228,894
24,609	6,477	227	207,358
24,548	6,478	226	209,711
22,533	6,011	224	206,072
22,515	6,011	226	199,020
22,387	6,012	223	192,321
19,783	6,007	225	186,644
16,269	6,007	226	168,313
15,278	6,011	226	149,513
15,219	6,005	225	144,731
15,177	6,009	223	139,418
12,007	5,462	221	132,942
9,989	5,463	223	123,192
3,465		218	103,319
3,402		223	103,059
3,332			99,290
554			95,417
551			95,804
552			82,941
555			79,209
551			75,047
			53,019
			32,554
			18,619
			5,893
$ 488,477	$ 128,656	$ 5,196	$ 5,256,754

SCHEDULE 4

STATE OF TENNESSEE
SCHEDULE OF OUTSTANDING DEBT
ALL FUND TYPES AND ACCOUNT GROUPS
FOR THE LAST FIVE FISCAL YEARS

(Expressed in Thousands)

	JUNE 30				
	1987	1988	1989	1990	1991
CAPITAL PROJECTS FUND:					
BOND ANTICIPATION NOTES	$ 14,800	$ 7,400			$ 7,979
ENTERPRISE FUNDS:					
LOCAL DEVELOPMENT AUTHORITY NOTES	61,500	61,432	$ 64,131	$ 55,164	51,593
LOCAL DEVELOPMENT AUTHORITY BONDS	56,053	54,569	52,984	51,282	49,447
LOCAL DEVELOPMENT AUTHORITY CALL PREMIUMS	733	733	733	733	733
STATE LOAN PROGRAM BONDS	66,370	63,565	60,590	57,540	54,345
TENNESSEE HOUSING DEVELOPMENT AGENCY BONDS	1,025,310	1,105,074	1,391,707	1,493,688	1,627,230
VETERANS' NURSING HOME BONDS				2,466	2,468
	1,209,966	1,285,373	1,570,145	1,660,873	1,785,816
INTERNAL SERVICE FUNDS:					
OFFICE FOR INFORMATION RESOURCES NOTES	257				
GENERAL LONG-TERM OBLIGATIONS BOND ANTICIPATION NOTES					7,721
TENNESSEE STATE SCHOOL BOND AUTHORITY BONDS	68,577	68,667	68,756	68,845	68,935
TENNESSEE STATE SCHOOL BOND AUTHORITY CALL PREMIUMS	1,979	1,979	1,979	1,979	1,979
	70,813	70,646	70,735	70,824	78,635
GENERAL LONG-TERM DEBT					
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP-BONDS	679,720	615,603	554,236	536,569	577,877
COLLEGE AND UNIVERSITY FUNDS:					
PLANT FUND NOTES	35,069	61,768	64,276	36,932	58,518
PLANT FUND BONDS	262,789	253,691	243,928	271,126	265,034
	297,858	315,459	308,204	308,058	323,552
TOTALS	$ 2,273,157	$ 2,294,481	$ 2,503,320	$ 2,576,324	$ 2,773,859

STATE OF TENNESSEE

SCHEDULE 5

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
REVENUES BY SOURCE AND EXPENSES BY TYPE

(Expressed in Thousands)

FISCAL YEAR	REVENUE BY SOURCE: MEMBER CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	INVESTMENT INCOME	CONTRIBUTIONS FOR TIAA/CREF	TOTAL
1982	$ 54,073	$ 277,141	$ 220,079	$ 12,128	$ 563,421
1983	57,318	271,439	272,633	13,203	614,593
1984	59,777	278,032	342,868	14,450	695,127
1985	66,726	313,438	354,196	17,598	751,958
1986	71,692	342,879	564,297	20,118	998,986
1987	78,730	348,514	726,663	22,995	1,176,902
1988	83,022	373,778	573,406	19,324	1,049,530
1989	89,907	336,293	549,550		975,750
1990	95,957	356,748	788,715		1,241,420
1991	100,587	285,361	752,984		1,138,932

FISCAL YEAR	EXPENSES BY TYPE: BENEFITS	REFUNDS	CONTRIBUTIONS FOR TIAA/CREF	TOTAL
1982	$ 139,377	$ 24,194	$ 12,127	$ 175,698
1983	154,443	20,708	13,203	188,354
1984	168,411	23,259	14,451	206,121
1985	185,666	22,774	17,597	226,037
1986	204,645	21,302	20,118	246,065
1987	229,301	21,751	22,994	274,046
1988	243,994	17,802	19,324	281,120
1989	258,320	20,665		278,985
1990	278,175	20,561		298,736
1991	309,661	19,384		329,045

Contributions were made in accordance with actuarially determined contribution requirements.

Member contributions decreased and employer contributions increased in fiscal year 1982 due to noncontributory legislation effective July 1, 1981.

The State's contributions to TIAA/CREF flowed through the TCRS until April 1988. Subsequently, these contributions are remitted directly to TIAA/CREF by the higher education institutions.

STATE OF TENNESSEE
COMPREHENSIVE HEALTH INSURANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOUR-YEAR CLAIMS DEVELOPMENT INFORMATION

SCHEDULE 6

(Expressed in Thousands)

The table below illustrates how the Comprehensive Health Insurance Fund's earned revenues and investment income compare to related costs of loss and other expenses assumed by the Comprehensive Health Insurance Fund as of the end of each of the last four years, since the inception of the fund. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the Fund including overhead. (3) This line shows the Fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred. (4) This section shows the cumulative amounts paid as of the end of successive years for each policy year, these amounts are unavailable for prior years. (5) This section shows how each policy year's incurred claims increased or decreased as of the end of successive years, these amounts are unavailable for prior years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	Fiscal Year Ended			
	1988	1989	1990	1991
(1) Earned required contribution and investment revenues	1,687	4,601	10,264	11,421
(2) Unallocated expenses	243	477	619	508
(3) Estimated incurred claims and expense, end of fiscal year	786	8,612	17,993	16,557
(4) Paid (cumulative) as of:				
End of policy year	*	*	*	13,072
One year later	*	*	*	
Two years later	*	*		
Three years later	*			
(5) Reestimated incurred claims and expense:				
End of policy year	*	*	*	16,557
One year later	*	*	*	
Two years later	*	*		
Three years later	*			
(6) Increase (decrease) in estimated claims and expense from end of policy year	*	*	*	0

*Data Not Available

STATE OF TENNESSEE
TEACHER GROUP INSURANCE
REQUIRED SUPPLEMENTARY INFORMATION
SIX-YEAR CLAIMS DEVELOPMENT INFORMATION

SCHEDULE 7

(Expressed in Thousands)

The table below illustrates how the Teacher Group Insurance Fund's earned revenues and investment income compare to related costs of loss and other expenses assumed by the Teacher Group Insurance Fund as of the end of each of the last six years, since the inception of the fund. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the Fund including overhead. (3) This line shows the Fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred. (4) This section shows the cumulative amounts paid as of the end of successive years for each policy year, these amounts are unavailable. (5) This section shows how each policy year's incurred claims increased or decreased as of the end of successive years, these amounts are unavailable for prior years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	Fiscal Year Ended					
	1986	1987	1988	1989	1990	1991
(1) Earned required contribution and investment revenues	4,589	11,891	17,889	26,855	35,939	43,308
(2) Unallocated expenses	138	369	507	579	730	931
(3) Estimated incurred claims and expense, end of fiscal year	2,336	11,441	18,797	28,362	39,038	45,439
(4) Paid (cumulative) as of:						
End of policy year	*	*	*	*	*	*
One year later	*	*	*	*	*	
Two years later	*	*	*	*		
Three years later	*	*	*			
Four years later	*	*				
Five years later	*					
(5) Reestimated incurred claims and expense:						
End of policy year	*	*	*	*	*	45,439
One year later	*	*	*	*	*	
Two years later	*	*	*	*		
Three years later	*	*	*			
Four years later	*	*				
Five years later	*					
(6) Increase (decrease) in estimated claims and expense from end of policy year	*	*	*	*	*	0

*Data Not Available

STATISTICAL AND ECONOMIC DATA

The Statistical Data are presented to give report users a better historical perspective and assist in assessing current financial status and trends of the governmental unit. Economic Data are presented to allow a broader understanding of the economic and social environment in which State government operates.

TABLE I

STATE OF TENNESSEE
REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands)

SOURCES	FOR THE YEAR ENDED JUNE 30									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
TAXES	$ 1,959,263	$ 2,047,603	$ 2,295,044	$ 2,776,915	$ 2,990,732	$ 3,269,689	$ 3,513,827	$ 3,715,112	$ 3,871,684	$ 4,001,321
LICENSES, FINES, FEES AND PERMITS	45,283	47,601	60,320	64,370	61,935	71,633	78,715	87,150	130,544	175,714
INTEREST ON INVESTMENTS	71,243	62,981	56,567	77,935	79,664	72,706	74,367	74,535	74,068	51,049
FEDERAL	1,039,894	1,062,387	1,308,304	1,372,825	1,584,056	1,623,824	1,746,823	1,888,096	2,154,896	2,404,595
DEPARTMENTAL SERVICES	194,046	201,550	215,753	245,246	271,027	294,701	332,371	351,895	404,209	422,488
OTHER	13,234	10,148	9,368	10,273	12,858	16,825	34,011	40,885	47,393	53,209
TOTAL REVENUES - ALL GOVERNMENTAL FUND TYPES	$ 3,322,963	$ 3,432,270	$ 3,945,356	$ 4,547,564	$ 5,000,272	$ 5,349,378	$ 5,780,114	$ 6,157,673	$ 6,682,794	$ 7,108,376

TABLE II

STATE OF TENNESSEE
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands)

FUNCTION	FOR THE YEAR ENDED JUNE 30									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
GENERAL GOVERNMENT	$ 153,618	$ 134,967	$ 134,998	$ 161,615	$ 177,487	$ 190,744	$ 203,405	$ 216,909	$ 240,033	$ 243,011
EDUCATION	981,371	970,362	981,080	1,167,879	1,271,638	1,368,750	1,447,291	1,534,148	1,626,903	1,688,375
HEALTH AND SOCIAL SERVICES	1,035,710	1,105,524	1,295,742	1,380,586	1,647,763	1,824,290	2,040,323	2,259,983	2,586,562	2,983,210
LAW, JUSTICE AND PUBLIC SAFETY	176,964	193,465	212,925	256,243	300,349	356,893	391,384	423,754	490,507	524,752
RECREATION AND RESOURCES DEVELOPMENT	71,031	77,842	112,285	136,274	144,204	149,999	151,234	159,602	183,975	181,000
REGULATION OF BUSINESS AND PROFESSIONS	15,330	16,643	13,566	15,920	20,127	22,362	23,097	24,181	25,667	29,386
TRANSPORTATION	429,587	427,695	544,367	606,783	654,294	648,298	689,265	728,884	824,578	852,939
DEBT SERVICE	85,487	91,596	87,640	83,440	78,929	100,191	104,182	98,097	99,585	93,841
CAPITAL OUTLAY	41,280	25,405	31,537	41,211	59,168	72,741	77,103	134,997	119,704	121,094
TOTAL EXPENDITURES - ALL GOVERNMENTAL FUND TYPES	$ 2,990,378	$ 3,043,499	$ 3,414,140	$ 3,849,951	$ 4,353,959	$ 4,734,268	$ 5,127,284	$ 5,580,555	$ 6,197,514	$ 6,717,608

Note: The Governmental Fund types include the General, Special Revenue, Debt Service, and Capital Projects Funds.
These schedules do not include transfers to or from other funds, including College and University funds.

TABLE III

STATE OF TENNESSEE
TAX REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands)

TAX REVENUES	FOR THE YEAR ENDED JUNE 30									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
SALES AND USE	$ 1,050,605	$ 1,106,186	$ 1,277,101	$ 1,657,724	$ 1,771,907	$ 1,893,948	$ 2,035,207	$ 2,126,025	$ 2,234,249	$ 2,245,471
GASOLINE	115,758	115,398	115,270	112,792	143,714	222,774	223,049	251,703	310,996	318,892
MOTOR FUEL	30,923	31,869	35,499	36,794	38,940	50,175	59,677	61,736	68,471	71,537
PETROLEUM PRODUCTS	17,838	18,244	19,688	19,831	21,352	21,583	23,199	23,266	24,224	22,361
MOTOR VEHICLE REGISTRATION	105,635	104,607	111,892	117,897	123,957	125,897	139,834	144,422	145,517	142,799
INCOME	30,345	35,521	37,288	42,240	46,057	44,992	51,769	61,919	67,544	63,879
PRIVILEGE	26,445	29,072	37,855	41,433	49,418	59,907	48,378	51,014	67,970	62,583
GROSS RECEIPTS	99,242	105,787	110,740	112,457	111,269	114,964	117,558	137,014	112,301	111,385
ALCOHOLIC BEVERAGE	23,972	24,106	43,490	43,976	43,765	44,261	44,614	44,319	44,247	45,081
FRANCHISE	49,511	56,741	69,483	114,722	143,624	151,213	163,782	174,735	194,578	211,837
EXCISE	206,535	202,558	229,892	257,383	261,690	285,304	336,143	358,660	317,499	324,302
INHERITANCE AND ESTATE	28,639	36,208	36,426	32,939	28,812	31,757	33,484	36,336	33,518	50,142
TOBACCO	78,442	78,338	76,874	80,135	80,444	81,777	82,298	80,930	79,573	78,272
INSURANCE COMPANIES PREMIUM	63,927	67,345	71,592	85,738	103,402	120,035	116,649	119,363	125,454	190,128
OTHER	31,446	35,623	21,954	20,854	22,381	21,102	38,186	43,670	45,543	62,652
TOTAL TAX REVENUES - ALL GOVERNMENTAL FUND TYPES	$ 1,959,263	$ 2,047,603	$ 2,295,044	$ 2,776,915	$ 2,990,732	$ 3,269,689	$ 3,513,827	$ 3,715,112	$ 3,871,684	$ 4,001,321

STATE OF TENNESSEE
DESCRIPTION OF TAX SOURCES
ALL GOVERNMENTAL FUND TYPES
JUNE 30, 1991

Presented below is a brief description of the state's principal tax sources as shown in the preceding table. Since portions of some of these taxes are ultimately distributed to local governments, the preceding table reflects only those tax collections retained for state purposes.

SALES AND USE TAX - The retail sales and use tax, imposed in 1947, is the state's leading source of revenue. The current rate of 5.5% was made permanent July 1, 1985. The tax is applied to the sale, use, consumption, distribution, lease or rental of tangible personal property and, effective June 1, 1985, was extended to include most admission and amusement charges. Certain services including charges for transient accommodations, storage and parking, and telephone service for regular subscribers are also subject to sales tax. Utilities and anti-pollution equipment are taxed at rates ranging from 1% to 1.5%. Political subdivisions, governmental agencies, charitable and religious groups, non-profit organizations and certain items of tangible personal property including drugs are exempt.

GASOLINE TAX - The gasoline tax was first enacted in 1923. The tax increased from 16 cents to 19 cents a gallon on April 1, 1989 and from 19 cents a gallon to 20 cents a gallon on July 1, 1989. This tax is charged on each gallon of gasoline or distillate refined, manufactured, sold, stored or distributed in Tennessee, as well as gasoline or distillate imported into the state. Refunds are granted on gasoline used for agricultural purposes, while political subdivisions and governmental agencies are exempt.

MOTOR FUEL TAX - The motor fuel tax was enacted in 1941. The tax was imposed at the rate of 14 cents per gallon on the sale of diesel fuel until June 1, 1987, it increased to 16 cents per gallon on April 1, 1989 and went to 17 cents per gallon on April 1, 1990. Effective July 1, 1984, a tax was levied on motor vehicles powered by liquified gas at rates ranging from $70 for passenger cars to $114 for the largest trucks. Owners of commercial vehicles may be charged additional tax based on number of miles driven in Tennessee. Effective April 1, 1989, out of state residents are taxed at a rate of 14 cents per gallon for liquified gas.

SPECIAL PETROLEUM PRODUCTS TAX - The special Petroleum Products Tax (formerly Gasoline Inspection Fee) was first enacted in 1899 for the purpose of assuring that gasoline and oil sold in the state met certain minimum standards. The rate was 1 cent per gallon in 1989 and went to 1.4 cents on May 1, 1990 per gallon on volatile substances having certain gravity levels which are produced from petroleum, natural gas, oil shales, or coal.

MOTOR VEHICLE REGISTRATION FEES - Since 1905 a fee has been charged for the registration of motor vehicles. Vehicles for personal use are charged $20.50. The fee for motorcycles is $9.75. Motor freight vehicles are charged fees ranging from $39.25 to $1,301.75.

INCOME TAX - Although Tennessee does not levy a general personal income tax, income derived from dividends and interest on stocks and bonds has been subject to tax since 1929. The tax rate is 6% on dividends from stocks and interest on bonds subject to an exemption of $1,250 for individuals and $2,500 for joint tax returns. Blind persons, pension trusts, profit-sharing trusts and qualifying low income persons 65 years of age or older are exempt from the tax.

PRIVILEGE TAX - The first state privilege tax in Tennessee was levied in 1799. During the ensuing 150 years, 132 business activities were made subject to the tax. Virtually all of these business-related privilege taxes were abolished in 1971 and re-enacted as part of other taxes. Currently, the privilege tax base is provided from litigation taxes, realty transfer, mortgage taxes, and marriage license fees.

GROSS RECEIPTS TAXES - There have been numerous additions, deletions and alterations in the group of taxable privileges comprising the gross receipts tax since it was first imposed in 1937. Currently, the tax covers bottlers, mixing bars, utilities, firearms, and vending machines. TVA payments "in lieu of taxes" based on power sales in Tennessee make up over 75% of collections.

ALCOHOLIC BEVERAGE TAX - The alcoholic beverage tax was enacted in 1939, authorizing the sale of alcoholic beverages in counties and municipalities in Tennessee if approved by local referendum. It provided for a system of state licensing fees and established a gallonage tax on wines and liquors sold in the state. Currently, the tax is levied at the rate of $4.00 per gallon on distilled spirits and $1.10 per gallon on wines, with additional fees for regulatory purposes and for the issuance of licenses and permits.

FRANCHISE TAX - The franchise tax, first collected in 1937, imposes an annual tax for the privilege of engaging in corporate form in the state. The tax is levied at the rate of $2.50 per $1,000 of corporate stock, surplus and undivided profits of domestic and foreign corporations operating in Tennessee.

EXCISE TAX - The excise tax originated in 1923 and has always been a major revenue source. The tax is presently applied at the rate of 6% annual net earnings from business done in Tennessee by all corporations, co-operatives conducted for profit, joint stock associations, business trusts, state banks, national banks and savings and loan associations. Formulas are used for determining the appropriate tax for corporations doing business in Tennessee as well as other states.

INHERITANCE, ESTATE AND GIFT TAXES - The inheritance tax was first enacted in 1891. Originally, the tax was applicable only to property going to collateral heirs, but was extended to direct heirs in 1909. The rate and base were divided into two different classes and apply to all property, real and personal, with certain exemptions applicable to each class. After 1989, no distinction shall be made in classes of beneficiaries and all beneficiaries that were listed in Class B are now included in Class A.

TOBACCO TAXES - Tobacco taxes were first levied in 1925. The present tax equates to 13 cents per pack of 20 cigarettes and 6% of the wholesale cost for all other tobacco products.

COIN-OPERATED AMUSEMENT TAX - This tax, first enacted in 1983, is now applied to any coin or token-operated machine which contains a free play feature. The annual tax is $350 per device, which may be prorated for machines placed in operation after October in any year.

INSURANCE COMPANY PREMIUM TAX - This tax, first enacted in 1945, is applied to gross premiums paid by or for policyholders residing in this state or on property located in the state. The rate is 1.75% for domestic life insurance companies, 2% for foreign life insurance companies and 2.5% for property and casualty insurance companies.

TABLE IV

STATE OF TENNESSEE
RATIO OF NET GENERAL LONG-DEBT TO
ASSESSED VALUE AND NET DEBT PER CAPITA
FOR THE LAST TEN YEARS

(Expressed in Thousands except Ratio and Per Capita Data)

FOR THE YEAR ENDED JUNE 30	POPULATION	ASSESSED VALUE	GENERAL LONG-TERM DEBT TOTAL (NOTE)	LESS DEBT SERVICE FUND	NET	NET GENERAL LONG-TERM DEBT RATIO TO ASSESSED VALUE	PER CAPITA
1982	4,666	18,642,000	539,070	2,436	536,634	2.88%	115.01
1983	4,691	21,875,000	583,445	2,143	581,302	2.66%	123.94
1984	4,728	25,239,000	530,820	6,574	524,246	2.08%	110.88
1985	4,767	26,453,000	480,695	3,753	476,942	1.80%	100.07
1986	4,801	28,698,000	626,570	1,635	624,935	2.18%	130.19
1987	4,856	31,123,000	679,720	1,458	678,262	2.18%	139.70
1988	4,895	32,519,000	615,603	2,390	613,213	1.89%	124.87
1989	4,935	36,854,000	554,236	4,399	549,837	1.49%	111.42
1990	4,976	39,815,000(EST)	536,569	2,193	534,376	1.34%	107.39
1991	5,028(EST)	44,191,000(EST)	577,877	2,051	575,826	1.30%	114.52

NOTE: Total General Long-term debt does not include State Loan Program General Obligation Notes and Bonds as follows:

YEAR	BONDS
1982	78,270
1983	76,205
1984	73,930
1985	71,540
1986	69,025
1987	66,370
1988	63,565
1989	60,590
1990	57,540
1991	54,345

These obligations are reported as debt of that enterprise in the accompanying financial statements.

TABLE V

STATE OF TENNESSEE
COMPUTATION OF LEGAL DEBT SERVICE MARGIN
JUNE 30, 1991

(Expressed in Thousands)

LEGAL DEBT SERVICE LIMIT (1991 PLEDGED REVENUES OF $466,191/150%)	$ 310,794
LESS - 1991 DEBT SERVICE REQUIRED ON ALL GENERAL LONG-TERM DEBT, INCLUDING STATE LOAN PROGRAM FUND GENERAL OBLIGATION BONDS	100,362
LEGAL DEBT SERVICE MARGIN	$ 210,432

	COLLECTIONS FOR FISCAL YEAR 1991				PLEDGED	
	PORTION PLEDGED	ALL GOVERNMENTAL FUND TYPES	LOCAL GOVERNMENT FUND	TOTAL	PER CENT	AMOUNT
CALCULATION OF 1991 PLEDGED REVENUES AS ABOVE:						
GASOLINE TAX	29.3%	$ 318,892	$ 188,194	$ 507,086	29.3%	$ 148,576
PETROLEUM PRODUCTS FEE	ALL	22,361	12,017	34,378	100.0%	34,378
MOTOR VEHICLE REGISTRATION FEE	ONE-HALF	142,799		142,799	50.0%	71,400
FRANCHISE TAX	ALL	211,837		211,837	100.0%	211,837
TOTALS		$ 695,889	$ 200,211	$ 896,100		$ 466,191

NOTE: Pledged revenues for the last five years are shown below:

FISCAL YEAR	PLEDGED REVENUES	PERCENT INCREASE (DECREASE)
1987	$ 366,414	4.1
1988	364,343	(0.6)
1989	404,146	10.9
1990	450,583	11.5
1991	466,191	3.5

TABLE VI

STATE OF TENNESSEE
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL
LONG-TERM DEBT TO TOTAL EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands except for Ratio Data)

FOR THE YEAR ENDED JUNE 30	DEBT SERVICE	TOTAL EXPENDITURES	RATIO
1982	85,487	2,990,378	2.86
1983	91,596	3,043,499	3.01
1984	87,640	3,414,140	2.57
1985	83,440	3,849,951	2.17
1986	78,929	4,353,959	1.81
1987	100,191	4,734,268	2.12
1988	104,182	5,127,284	2.03
1989	98,097	5,579,976	1.76
1990	99,590	6,197,486	1.61
1991	93,841	6,717,608	1.40

TABLE VII

STATE OF TENNESSEE
SCHEDULE OF REVENUE BOND COVERAGE
TENNESSEE HOUSING DEVELOPMENT AGENCY FUND
FOR THE LAST TEN YEARS

(Expressed in Thousands except Coverage)

FOR THE YEAR ENDED JUNE 30	DEDICATED REVENUES	RELATED EXPENSES	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS	COVERAGE (NOTE)
1982	45,141	1,600	43,541	44,424	0.98
1983	63,336	1,805	61,531	65,174	0.94
1984	63,216	1,995	61,221	65,451	0.94
1985	80,733	2,385	78,348	83,714	0.94
1986	107,079	2,938	104,141	105,117	0.99
1987	103,886	2,818	101,068	102,362	0.99
1988	109,884	2,791	107,093	111,012	0.96
1989	130,191	3,637	126,554	127,995	0.99
1990	144,629	4,325	140,304	140,328	1.00
1991	163,368	4,872	158,496	157,267	1.01

NOTE: Under THDA's series bond resolutions, scheduled amounts of anticipated mortgage loan prepayments are used each year to pay a portion of maturing bond principal. Accordingly, in addition to the net revenue available for debt service shown above, THDA applied some $6.8 million in prepayments against fiscal year 1991 debt service requirements.

STATE OF TENNESSEE
SCHEDULE OF REVENUE BOND COVERAGE
COLLEGE AND UNIVERSITY FUNDS
FOR THE LAST TEN YEARS

(Expressed in Thousands except Coverage)

		DEBT SERVICE REQUIREMENTS			
FOR THE YEAR ENDED JUNE 30	FEES AND CHARGES	TENNESSEE STATE SCHOOL BOND AUTHORITY	OTHER THAN AUTHORITY	TOTAL	COVERAGE
1982	262,407	13,009	1,435	14,444	18.2
1983	290,454	12,526	1,349	13,875	20.9
1984	291,675	19,766	1,333	21,099	13.8
1985	352,999	22,126	1,359	23,485	15.0
1986	378,127	25,691	714	26,405	14.3
1987	421,643	27,366	715	28,081	15.0
1988	475,980	27,185	541	27,726	17.2
1989	519,214	27,275	544	27,819	18.7
1990	577,071	27,251	545	27,796	20.8
1991	635,329	29,982	544	30,526	20.8

STATE OF TENNESSEE
ECONOMIC CHARACTERISTICS*
TENNESSEE'S ECONOMIC GROWTH

The economic future for Tennessee remains bright. The decisions by Saturn and Nissan to locate their production facilities in Tennessee are very visible signs that the state is a desirable place to do business. Characteristics of the state which have been identified as important reasons why firms have chosen Tennesee sites include work-force related factors such as worker productivity, right-to-work laws and low unionization, as well as access to markets and pro-business attitude of the state. Other factors include relatively inexpensive energy, plentiful natural resources and sun-belt location. Tennessee's gross state product as a percentage of gross national product increased from 1.63% in 1981 to 1.72% in 1990, and personal income was 1.62% in 1981 and 1.64% in 1990.

(Expressed in Millions)

YEAR	GROSS STATE PRODUCT	PERSONAL INCOME	DISPOSABLE PERSONAL INCOME
1981	$ 49,881	$ 40,872	$ 35,492
1982	51,967	42,970	37,373
1983	56,319	45,745	39,824
1984	63,207	50,362	44,235
1985	67,560	53,637	46,701
1986	72,328	57,852	50,763
1987	78,512	62,704	54,851
1988	85,097	68,052	60,040
1989	91,657	72,587	63,666
1990	96,046 (EST)	76,296 (EST)	67,361 (EST)

TENNESSEE GROSS STATE PRODUCT BY SECTOR

(Expressed in Millions)

	1980	1985	1990 (EST)	SECTOR AS PERCENTAGE OF 1990 TOTAL
MANUFACTURING	$11,916	$17,335	$23,085	24.0%
CONSTRUCTION	2,081	2,847	3,644	3.8%
MINING	382	371	374	0.4%
TRADE	8,215	12,550	18,666	19.4%
SERVICES	5,781	10,109	16,083	16.8%
FINANCE, INSURANCE AND REAL ESTATE	5,655	9,189	13,632	14.2%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	3,383	5,254	7,117	7.4%
FEDERAL GOVERNMENT	2,692	3,357	4,398	4.6%
STATE & LOCAL GOVERNMENT	3,564	4,966	7,134	7.4%
AGRICULTURE	1,349	1,582	1,911	2.0%
TOTAL GROSS STATE PRODUCT	$45,018	$67,560	$96,044	100.0%

TENNESSEE AVERAGE ANNUAL WAGE BY SECTOR

	1980	1985	1990 (EST)	PERCENTAGE CHANGE (From 1980 to 1990)
MANUFACTURING	$14,003	$19,062	$23,103	65.0%
CONSTRUCTION	13,985	18,098	21,659	54.9%
MINING	17,131	21,854	28,421	65.9%
TRADE	10,537	13,332	16,178	53.5%
SERVICES	11,636	16,158	19,774	69.9%
FINANCE, INSURANCE AND REAL ESTATE	14,006	20,185	24,431	74.4%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	18,704	24,271	27,400	46.5%
FEDERAL GOVERNMENT	19,746	27,208	29,558	49.7%
STATE & LOCAL GOVERNMENT	11,848	15,956	19,690	66.2%
AGRICULTURE	3,834	8,111	7,549	96.9%
AVERAGE ALL SECTORS	$13,543	$18,424	$21,776	60.8%

*Except as otherwise noted, the source for all economic information presented is the Tennessee Econometric Model developed by the Center for Business and Economic research, College of Business Administration, The University of Tennessee, Knoxville.

MANUFACTURING

Manufacturing investment in Tennessee totaled $1.8 billion in 1990, marking the eighth consective billion dollar year for the state. The combined new plant and expansion projects announced are expected to create 19,398 new job opportunities. The tables which follow indicate the state's manufacturing gross product, employment and industrial expansion.

TENNESSEE MANUFACTURING GROSS PRODUCT

(Expressed in Millions)

	1980	1985	1990 (EST)	PERCENTAGE CHANGE (FROM 1980 TO 1990)
DURABLES:				
FURNITURE & FIXTURES	$ 332	$ 582	$ 690	107.8%
FABRICATED METALS	798	1,432	2,086	161.4%
NONELECTRICAL MACHINERY	1,327	1,850	2,227	67.8%
ELECTRICAL MACHINERY	942	1,415	1,791	90.1%
TRANSPORTATION EQUIPMENT	406	1,581	2,220	446.8%
OTHER	1,629	2,257	2,911	78.7%
TOTAL DURABLES	5,434	9,117	11,925	119.5%
NONDURABLES:				
FOOD	1,159	1,737	2,295	98.0%
TEXTILES	415	484	580	39.8%
APPAREL	811	953	1,306	61.0%
PAPER	651	988	1,581	142.9%
PRINTING & PUBLISHING	466	800	1,213	160.3%
CHEMICALS	1,824	1,705	2,064	13.2%
RUBBER & PLASTICS	606	983	1,479	144.1%
OTHER	551	569	641	16.3%
TOTAL NONDURABLES	6,483	8,219	11,159	72.1%
TOTALS	$ 11,917	$ 17,336	$ 23,084	93.7%

TENNESSEE MANUFACTURING EMPLOYMENT

(Expressed in Thousands)

	1980	1985	1990 (EST)	PERCENTAGE CHANGE (FROM 1980 TO 1990)
DURABLES:				
FURNITURE & FIXTURES	21.5	24.3	28.1	30.7%
FABRICATED METALS	33.8	39.3	42.3	25.1%
NONELECTRICAL MACHINERY	35.1	37.7	39.0	11.1%
ELECTRICAL MACHINERY	40.2	37.6	38.4	-4.5%
TRANSPORTATION EQUIPMENT	23.2	31.5	37.7	62.5%
OTHER	70.5	69.0	73.7	4.5%
TOTAL DURABLES	224.3	239.4	259.2	15.6%
NONDURABLES:				
FOOD	39.0	37.6	38.8	-0.5%
TEXTILES	26.3	23.1	21.7	-17.5%
APPAREL	69.4	65.4	63.9	-7.9%
PAPER	17.7	17.8	21.7	22.6%
PRINTING & PUBLISHING	26.9	31.6	37.3	38.7%
CHEMICALS	56.6	40.0	39.9	-29.5%
RUBBER & PLASTICS	20.5	24.0	27.1	32.2%
OTHER	21.6	13.2	11.5	-46.8%
TOTAL NONDURABLES	278.0	252.7	261.9	-5.8%
TOTALS	502.3	492.1	521.1	3.7%

INDUSTRIAL GROWTH IN TENNESSEE
NEW PLANTS AND EXPANSIONS

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
NUMBER:										
NEW	70	73	118	109	118	123	140	132	92	80
EXPANSIONS	158	137	204	253	189	204	202	174	797	786
	228	210	322	362	307	327	342	306	889	866
INVESTMENT (In Thousands):										
NEW	$119,147	$173,405	$207,536	$329,403	$3,764,765	$360,031	$791,490	$517,912	$898,084	$661,359
EXPANSIONS	463,731	587,578	1,116,533	1,015,274	764,083	704,880	809,788	2,262,901	2,307,739	1,134,876
	$582,878	$760,983	$1,324,069	$1,344,677	$4,528,848	$1,064,911	$1,601,278	$2,780,813	$3,205,823	$1,796,235
JOB OPPORTUNITIES:										
NEW	3,679	5,336	8,154	7,065	14,709	8,361	13,644	10,634	7,753	7,171
EXPANSIONS	9,253	5,602	11,897	15,065	11,041	10,697	11,093	8,111	20,759	12,227
	12,932	10,938	20,051	22,130	25,750	19,058	24,737	18,745	28,512	19,398

TOP FIFTY TENNESSEE COMPANIES

(Ranked by Number of Employees)

COMPANY	NUMBER OF EMPLOYEES	COMPANY	NUMBER OF EMPLOYEES
1. FEDERAL EXPRESS	17,000	26. FIRST TENNESSEE BANK	2,200
2. MARTIN MARIETTA ENERGY SYSTEMS, INC	15,596	27. INTER CITY PRODUCTS	2,100
3. TENNESSEE EASTMAN/KODAK	10,500	28. VF CORPORATION - Red Kap Industries	2,068
4. CENTURY MANAGEMENT, INC./McDonalds	5,855	29. BERKLINE CORPORATION	2,000
5. RED FOOD STORES	5,500	30. UNION PLANTERS CORPORATION	2,000
6. SHONEYS, INC	5,146	31. TPI RESTAURANTS, INC	2,000
7. BRIDGESTONE USA, INC	4,425	32. MALONE & HYDE, INC	2,000
8. NISSAN MOTOR MANUFACTURING CORP, USA	4,200	33. AUTOZONE	1,955
9. PROVIDENT LIFE & ACCIDENT INS CO OF AMERICA	3,816	34. SUNDAY SCHOOL BD OF THE SOUTHERN BAPTIST	1,904
10. FIRST AMERICAN CORPORATION - Nashville	3,500	35. GENESCO	1,800
11. THIRD NATIONAL CORPORATION	3,405	36. BOWATER, INC - Southern Division	1,700
12. SERVICE MERCHANDISE COMPANY., INC	3,293	37. FEDERATED DEPARTMENT STORES - Goldsmiths	1,550
13. NATIONAL HEALTHCARE CORPORATION, LP	3,288	38. FRIGID AIR COMPANY	1,544
14. CRACKER BARRELL OLD COUNTRY STORE	3,064	39. AMERICAN STD UNITARY PRODUCTS GROUP	1,510
15. MURRAY OHIO MANUFACTURING CO	3,025	40. BRUNSWICK CORPORATION - Sea Ray Division	1,500
16. PHILIPS CONSUMER ELECTRONICS CORPORATION	3,000	41. OLAN MILLS, INC	1,500
17. SOVRAN BANK/Tennessee	2,789	42. DOVER ELEVATOR SYSTEMS, INC	1,418
18. ARCATA GRAPHICS COMPANY	2,773	43. SMITH AND NEWPHEW RICHARDS, INC	1,400
19. SHELBY COUNTY REGIONAL MEDICAL CENTER	2,700	44. HOSPITAL CORPORATION OF AMERICA	1,400
20. HOLIDAY INNS	2,538	45. AVERITT EXPRESS, INC	1,380
21. THE TENNESSEAN - Gannett Company., Inc	2,500	46. ACME BOOT COMPANY, INC	1,300
22. CLEO, INC	2,500	47. AGF INDUSTRIES, INC - Glass Division	1,200
23. KRYSTAL COMPANY	2,500	48. PROMUS COMPANIES, INC	1,200
24. TEXTRON AEROSTRUCTURES	2,302	49. NORTHERN TELECOM, INC	1,147
25. STATE INDUSTRIES	2,225	50. PROFITTS, INC	1,000

SOURCE: Tennessee Department of Economic and Community Development.

AGRICULTURE

Important export commodities such as soybeans, tobacco, feed grains, cotton, and greenhouse and nursery products are among the top income earners for Tennessee farmers.

CASH RECEIPTS
(Expressed in Millions)

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990 (EST)
CROPS	$1,080.6	$1,051.0	$896.9	$1,009.5	$987.1	$788.6	$841.7	$877.0	$860.6	$912.2
MEAT ANIMALS	427.1	481.6	503.7	647.3	602.5	623.5	712.1	656.0	611.8	569.7
DAIRY PRODUCTS	308.5	304.6	295.3	275.9	281.9	274.6	273.1	266.1	286.3	293.6
POULTRY AND EGGS	116.9	112.0	107.5	133.0	115.7	139.6	121.5	133.7	162.8	155.0
TOTALS	$1,933.1	$1,949.2	$1,803.4	$2,065.7	$1,987.2	$1,826.3	$1,948.4	$1,932.8	$1,921.5	$1,930.5

POPULATION AND EMPLOYMENT TREND

The state's population has increased close to 1% per year with a shift in recent years to a net in-migration condition from one of a net out-migration.

(Expressed in Thousands except Unemployment Rates)

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990 (EST)
POPULATION	4,639	4,667	4,691	4,728	4,767	4,801	4,856	4,898	4,940	4,976
LABOR FORCE	2,116	2,129	2,179	2,219	2,253	2,291	2,334	2,338	2,368	2,401
TOTAL EMPLOYMENT	1,924	1,877	1,929	2,030	2,073	2,106	2,180	2,203	2,247	2,275
UNEMPLOYMENT	192	253	249	189	180	184	153	135	121	126
TENN UNEMPLOYMENT RATE	9.1	11.9	11.4	8.5	8.0	8.0	6.6	5.8	5.1	5.2
U.S. UNEMPLOYMENT RATE	7.6	9.7	9.6	7.5	7.2	7.0	6.2	5.5	5.3	5.5

BANK DEPOSITS, SALES AND EFFECTIVE BUYING INCOME

(Expressed in Millions)

(Expressed in Thousands)

YEAR	BANK DEPOSITS	SALES	EFFECTIVE BUYING INCOME MEDIAN HOUSEHOLD
1981	$21,251	$23,504	$17.0
1982	23,012	24,628	19.0
1983	25,070	25,092	19.8
1984	27,442	28,860	21.3
1985	29,334	31,740	19.8
1986	32,271	34,267	20.4
1987	34,054	36,295	21.6
1988	36,297	38,481	20.9
1989	38,196	40,004	22.2
1990	39,872	41,615 (EST)	23.6

NEW PRIVATELY OWNED HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING PLACES
VALUATION OF BUILDING PERMITS ISSUED

(Expressed in Thousands)

YEAR	VALUATION	YEAR	VALUATION
1981	$ 392,000	1986	$ 1,808,228
1982	701,100	1987	1,851,013
1983	1,202,700	1988	1,660,147
1984	1,406,633	1989	1,450,794
1985	1,632,906	1990	1,317,082

SOURCE: The Tennessee Econometric Model, Tennessee Department of Employment Security labor Summary, Sales and Marketing Management, and U.S. Bureau of the Census Construction Reports.

POPULATION, TAX BASE AND PERSONAL INCOME

(Expressed in Thousands)

YEAR	POPULATION	ASSESSED VALUE	APPRAISED/ ESTIMATED CURRENT VALUE	PERSONAL INCOME	PER CAPITA INCOME
1981	4,639	$ 17,350,600	$ 87,795,800	$ 40,872,000	$ 8.8
1982	4,666	18,642,000	90,992,300	42,970,000	9.2
1983	4,691	21,875,000	93,915,000	45,745,000	9.8
1984	4,728	25,239,000	97,016,000	50,362,000	10.7
1985	4,767	26,453,000	107,331,000	53,637,000	11.3
1986	4,801	28,698,000	111,201,000	57,801,000	12.0
1987	4,856	31,123,000	125,102,000	62,523,000	12.9
1988	4,895	32,519,000	129,813,000	67,243,000	13.7
1989	4,935	36,854,000	146,232,000	72,236,000	14.6
1990	4,976	39,815,000 (EST)	153,750,000 (EST)	76,296,000	15.4

PUBLIC SCHOOL ENROLLMENT GRADES K-12

ACADEMIC YEAR	GRADES K-3	GRADES 4-6	GRADES 7-9	GRADES 10-12	TOTAL K-12
1981-82	257,825	212,047	205,791	183,919	859,582
1982-83	255,674	203,806	208,712	177,527	845,719
1983-84	255,855	195,060	213,319	173,054	837,288
1984-85	258,214	189,030	212,953	170,693	830,890
1985-86	261,165	184,545	207,631	173,707	827,048
1986-87	267,044	185,886	202,599	180,040	835,569
1987-88	273,353	189,605	196,910	181,152	841,020
1988-89	299,505	212,160	214,323	194,128	920,116
1989-90	276,953	196,363	197,334	170,349	840,999
1990-91	281,540	202,484	202,029	169,767	855,820

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
UNIVERSITIES:										
AUSTIN PEAY STATE	4,107	4,091	4,389	4,306	4,067	4,015	4,160	3,983	4,630	4,629
EAST TENNESSEE STATE	7,861	7,907	8,060	7,963	7,986	7,984	8,213	8,728	9,066	9,218
MEMPHIS STATE	15,007	15,524	16,483	15,860	15,348	14,838	15,144	15,285	15,532	15,610
MIDDLE TENNESSEE STATE	9,593	9,645	9,969	9,794	9,854	9,915	10,398	11,388	12,151	12,751
TENNESSEE STATE	6,091	6,128	6,134	5,796	5,232	5,134	5,426	5,815	5,805	5,690
TENNESSEE TECHNOLOGICAL	7,369	7,458	7,340	7,068	7,136	6,902	7,061	7,371	7,080	7,297
UNIVERSITY OF TENNESSEE:										
CHATTANOOGA	5,709	5,804	6,058	5,764	5,861	5,727	5,557	5,769	5,850	6,000
KNOXVILLLE	24,402	22,991	22,721	21,780	21,077	21,449	21,879	20,742	21,025	21,297
MARTIN	5,153	5,129	5,115	4,857	4,572	4,531	4,473	4,283	4,744	5,055
TOTAL UNIVERSITIES	85,292	84,677	86,269	83,188	81,133	80,495	82,311	83,364	85,883	87,547
COMMUNITY COLLEGES:										
CHATTANOOGA STATE TECH	3,205	3,405	3,502	3,076	2,607	2,942	3,416	3,710	4,243	4,660
CLEVELAND STATE	1,856	2,039	2,034	1,791	1,895	1,586	1,707	1,798	1,860	2,052
COLUMBIA STATE	1,353	1,536	1,504	1,383	1,367	1,560	1,563	1,606	1,821	2,045
DYERSBERG STATE	884	1,039	1,058	958	918	1,001	962	976	1,114	1,230
JACKSON STATE	1,683	1,840	1,784	1,601	1,471	1,473	1,704	1,663	1,850	2,035
MOTLOW STATE	1,224	1,352	1,354	1,365	1,181	1,316	1,392	1,438	1,574	1,794
PELLISSIPPI	*	*	*	*	*	*	*	2,038	3,145	4,022
ROANE STATE	2,216	2,323	2,368	2,334	2,435	2,518	2,909	2,663	3,044	3,376
SHELBY STATE	2,997	3,184	3,297	2,855	2,416	2,484	2,282	2,588	2,845	2,946
VOLUNTEER STATE	2,038	2,048	1,973	1,855	1,680	1,853	2,034	2,110	2,246	2,585
WALTERS STATE	2,116	2,240	2,244	2,181	2,101	2,201	2,395	2,276	2,636	2,934
TOTAL COMMUNITY COLLEGE	19,572	21,006	21,118	19,399	18,071	18,934	20,364	22,866	26,378	29,679
TOTAL ALL INSTITUTIONS	104,864	105,683	107,387	102,587	99,204	99,429	102,675	106,230	112,261	117,226

*Effective July 1, 1988 Pellissippi became a State Community College.

Sources: The Tennessee Ecocometric Model, State Board of Equalization, Tennessee Department of Education and the Higher Education Commission.

ACKNOWLEDGMENTS

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